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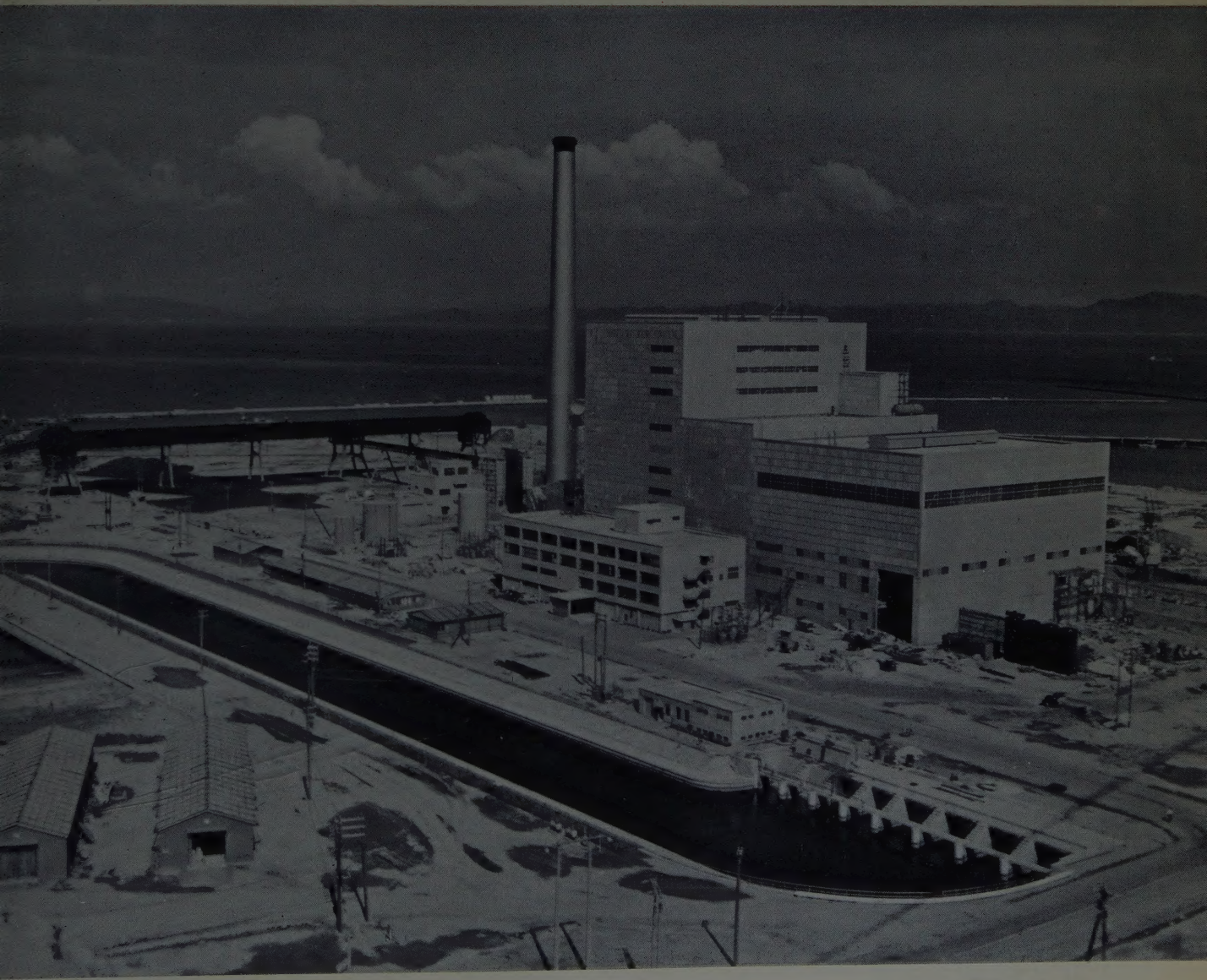

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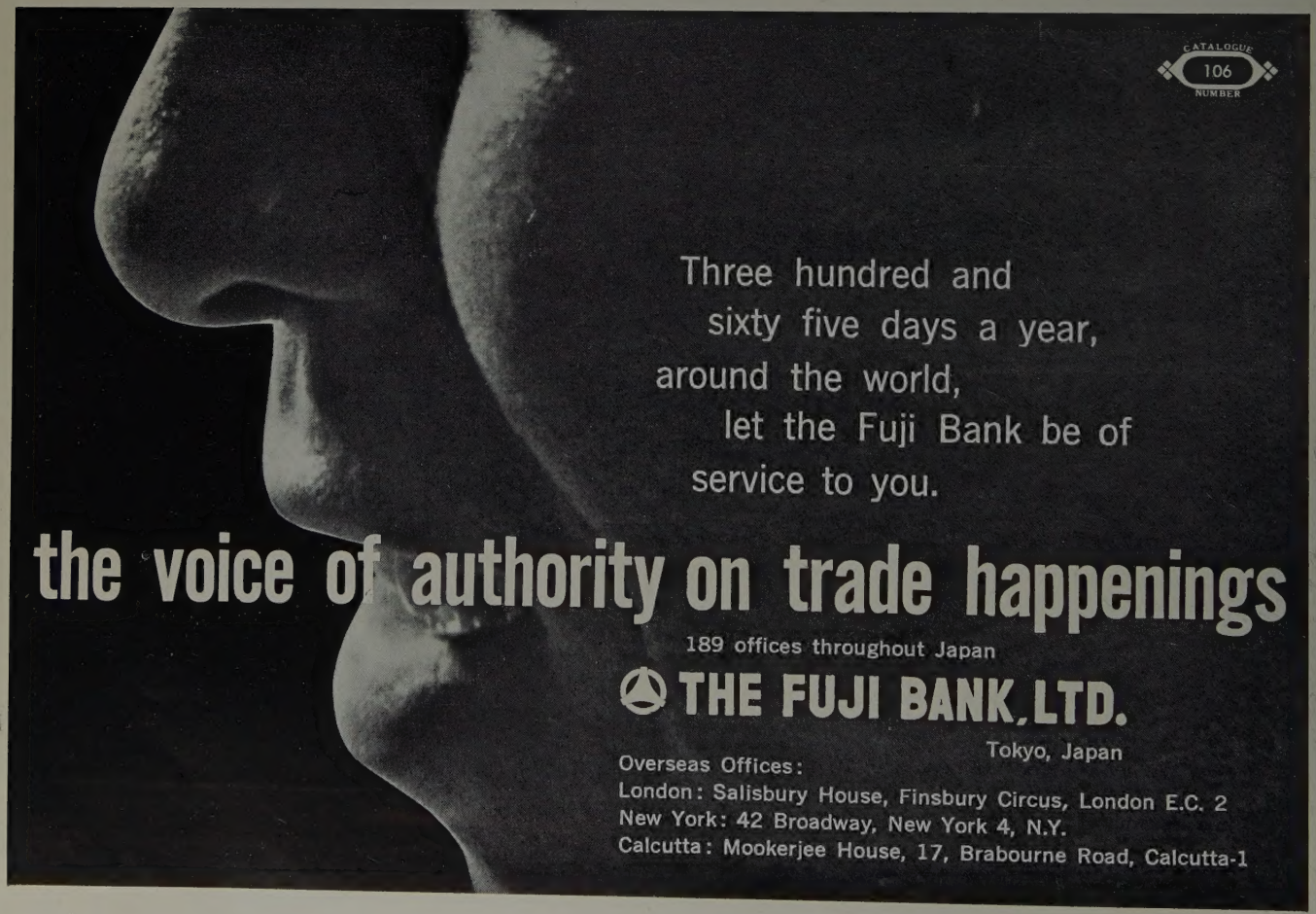
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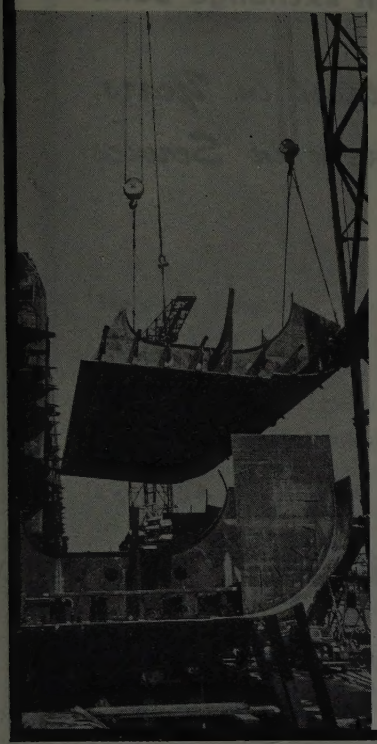

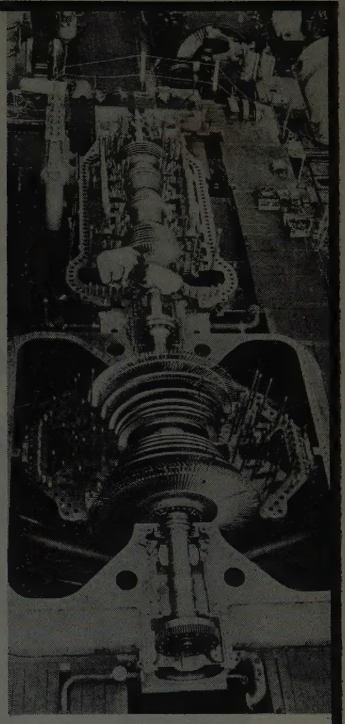

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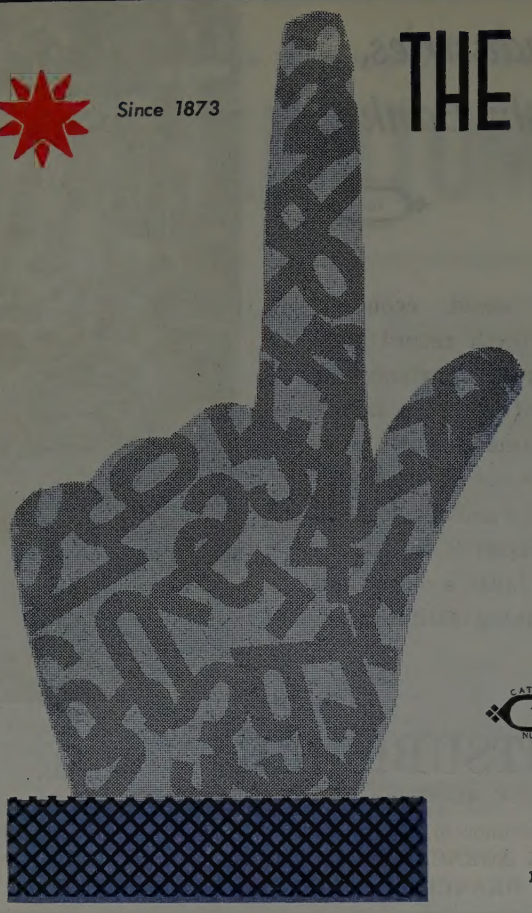

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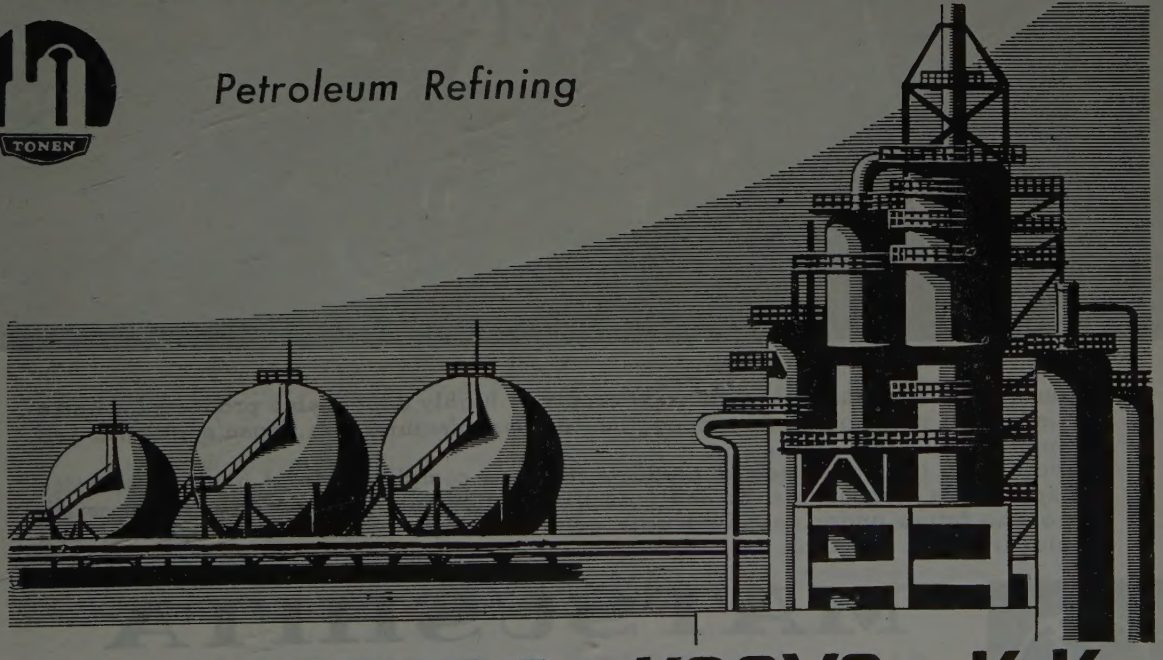

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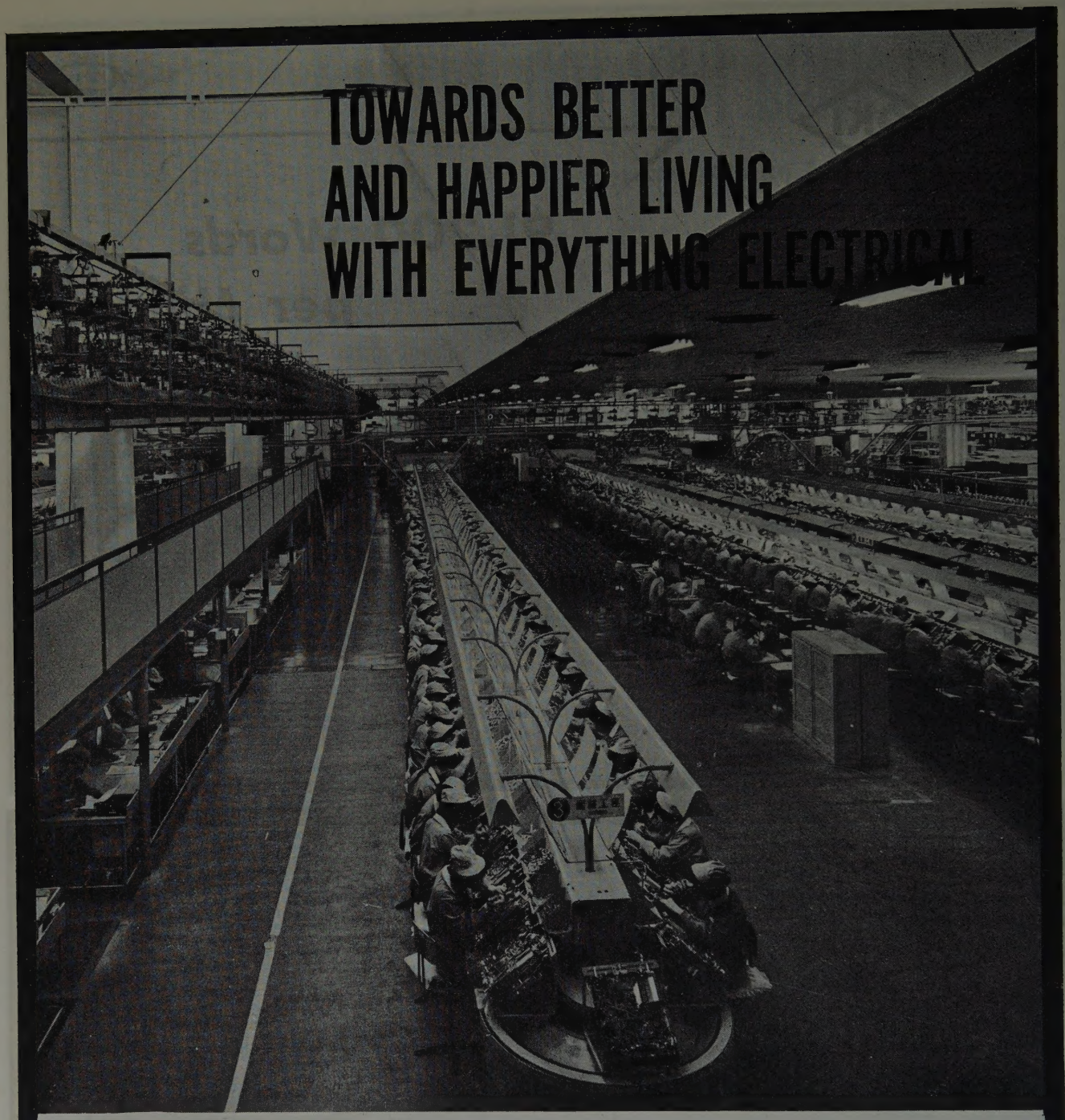

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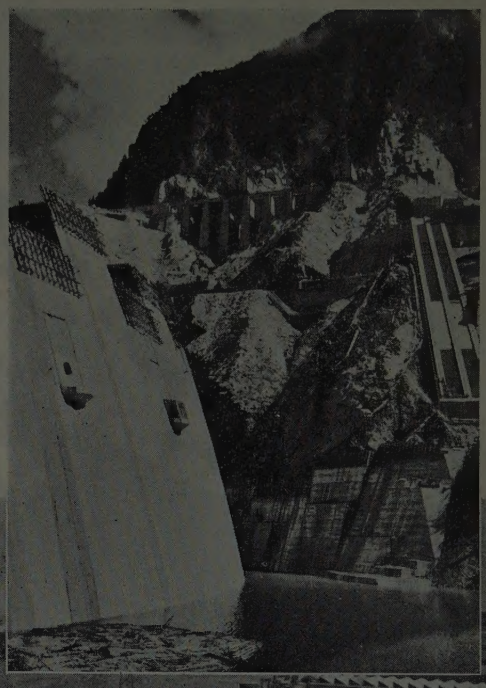

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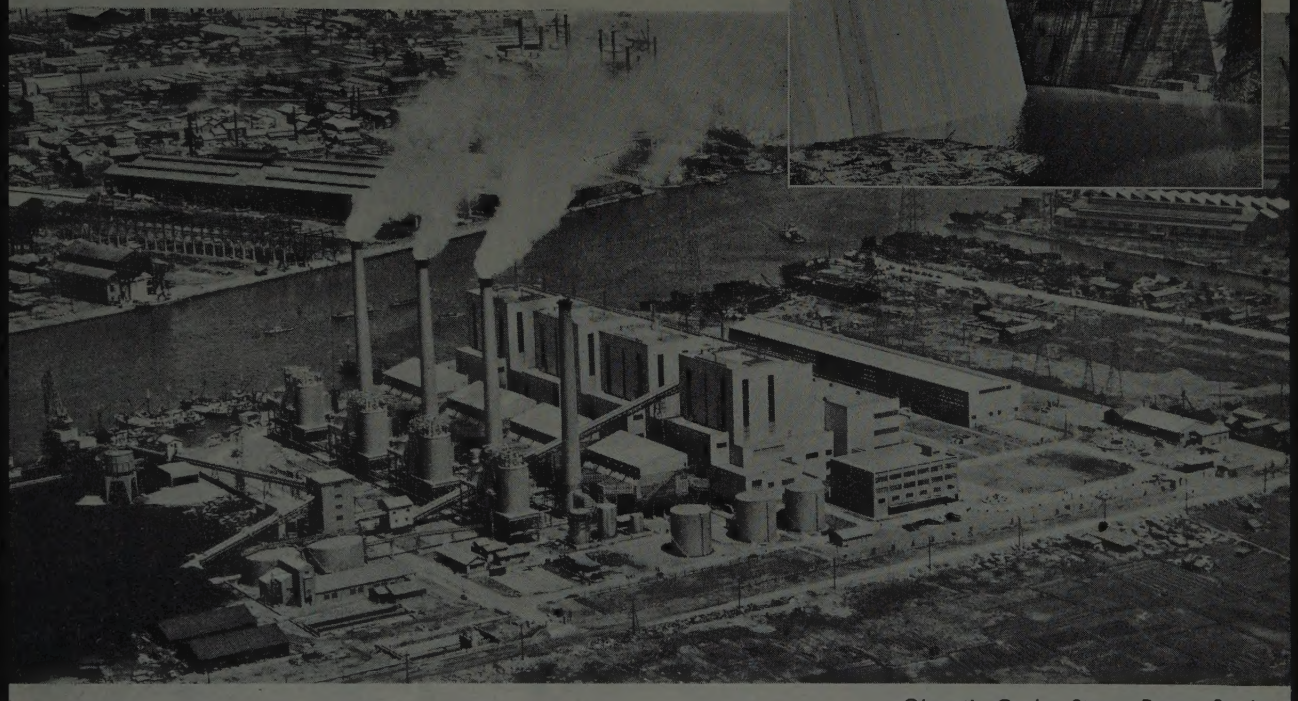

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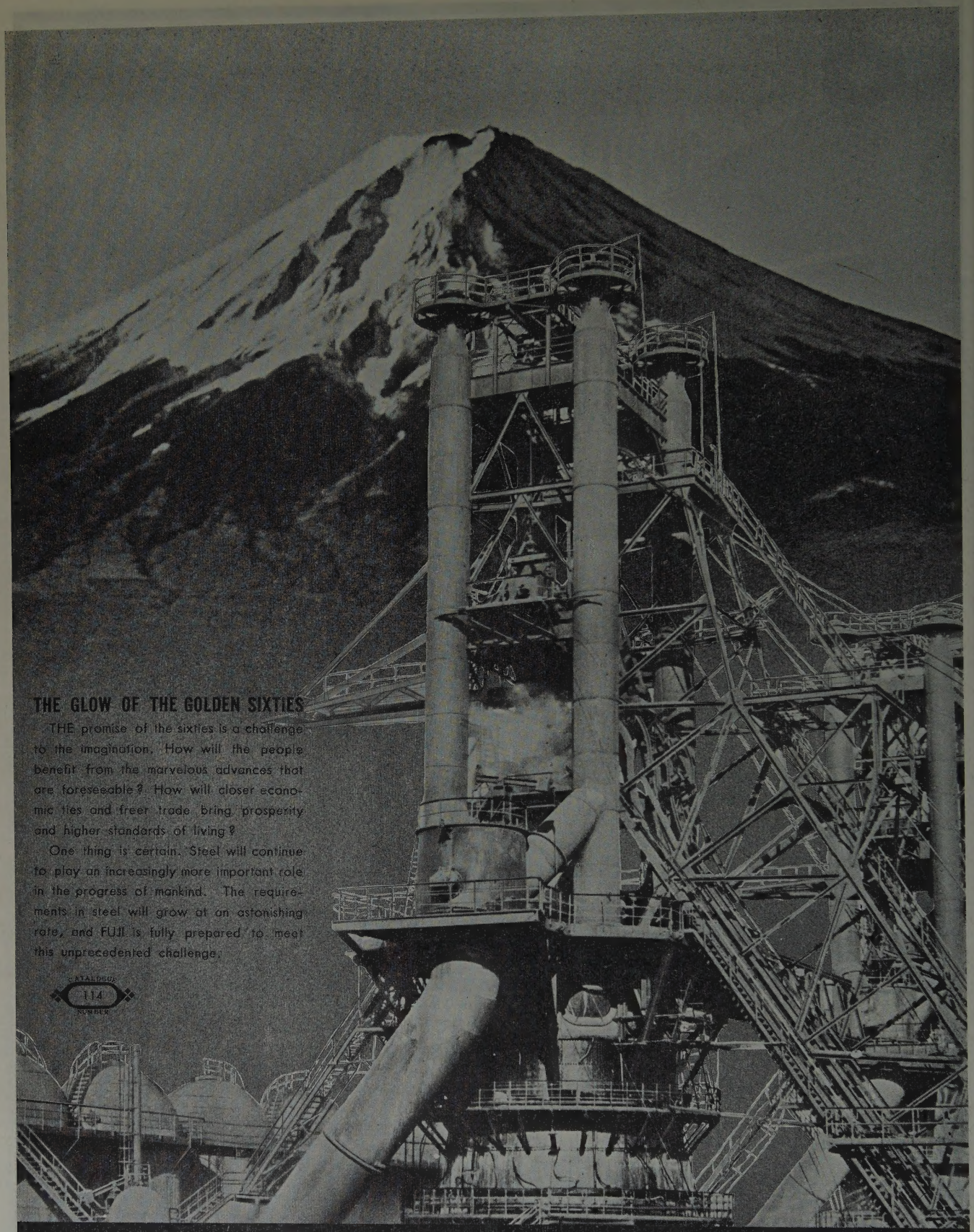

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Review of the Month

THE House of Representatives was dissolved on October 24, simultaneously with the adjournment of the 36th extraordinary session of the National Diet which, opened on October 17, listened to the policy speeches by the Prime Minister, the Foreign Minister, the Minister of Finance and the Director-General of the Economic Planning Agency, as well as major interpellations by the representatives of the Opposition parties. The general election for the Lower House is set for November 20. At the outset of his speech, Prime Minister Ikeda expressed his regret for the assassination of Inejiro Asanuma, chairman of the Japan Socialist Party, and stressed the need of eliminating all acts of violence, either individual or mass, and leftist or rightist, as violence is the enemy of democratic government. He also expressed his desire that political and administrative operations with the National Diet at the helm should be conducted in good order and through consultations, adding that the establishment of such a rule is the shortest cut to the establishment of security. Regarding the controversial revision of the National Constitution, the Prime Minister stated that the verdict should be given only when the problem has been sufficiently discussed and studied in all strata of society and when the consensus of public opinion has been spontaneously seasoned to take a definite direction after the lapse of an acceptably long period of time. In connection with foreign policy, Mr. Ikeda asserted that his Government would adhere to the stand of a free democracy with allegiance to the United Nations, but is set to endeavor for the promotion of friendly relations, through trade exchanges, with Communist countries. Commenting on the problem of Japan's neutrality, the Prime Minister criticized the neutrality stand of the Japan Socialist Party. It is noteworthy that the Prime Minister was firm in his attack by stating that the Socialist neutrality principle is completely unrealistic as 1) It entirely neglects the concrete assessment of the international situation surrounding Japan ; 2) It ignores the fact that the national strength of Japan has an important bearing on the balance of power between the West and the East ; and 3) It lacks the full recognition of the fact that the economic development and prosperity of Japan has been brought about through the close ties with free democracies.

LOWER HOUSE DISSOLVED

Referring to the economic problems, Mr. Ikeda merely touched systematically on his own theory that all the policies of his Government will be propelled on the basis of the two major targets, that is, the high-level economic growth and the doubling of national income. Hence, there was nothing particularly new. Opened just after the Asanuma incident, the pivot of the 36th extraordinary session was naturally placed on measures against violence. As the Government and the Administration Party had originally planned to turn the tables in their favor at the forthcoming general electron by clarifying its new policies before the public through the current Diet session, the sudden occur-

rence of the Asanuma incident was a big blow. On the other hand, the Japan Socialist Party has obtained a good weapon to attack the Government by virtue of the Asanuma incident. The Japan Socialist Party interpellated the Government on the background of the incident as well as the financial resources of the rightist groups, and leftist students and trade unionists staged demonstrations or strikes in protest. They also threaten that they will repeat such actions. They are quite free to do as they like, but earnest policy discussions at the Diet should not be neglected for that reason. It is necessary to probe into the causes of the Asanuma incident in order to prevent the repetition of such tragedies, but there is no denying that the Japan Socialist Party has made use of the Asanuma incident excessively for political ends. The majority of people are most profoundly interested in the policies to be taken by the Government, and few votes will be influenced "by symphathy." "Symphathy votes" will not changed the general tide of the election.

REVISION OF SOCIALIST FOREIGN POLICY

ONE of the features of the forthcoming general election is the race btween the two renovationist parties through the spilit of the Socialists. The Japan Socialist Party thus has to compete with two parties, namely: the Liberal-Democratic Party in the conservative camp and the Democratic-Socialist Party in the renovationist camp, although the same is the case with the Democratic-Socialists. As the split of the Socialist Party was based on the division over the orthodox theory of Socialism, the struggle between the two Socialist parties is bound to prove more intense than the fight between the Conservatives and the two renovationist parties. Although the Japan Socialist Party and the Democratic Socialist Party belong to the same renovationist camp, their policies are widely different. While the former is compromising with the Communist camp, the latter takes the side of free democracies. The Socialists are endeavoring to link strikes with politics but the Democratic-Socialists deny political strikes.

The Japan Socialist Party recently announced a new foreign policy. The general principles of the new policy are still based on the usual stand of neutrality, but concrete points have been somewhat changed. Particularly noteworthy is the revision of the attitude toward the territorial problem with the Soviet Union. Parting from the abstract expression in the old policy that the "rational settlement" should be reached, it is clearly asserted in the new policy that the Kuriles historically belong to Japan and should therefore be restored to Japan.

It was generally criticized so far that the Japan Socialist Party, while upholding neutrality, was lukewarm in its attitude toward the Soviets on the territorial probrem although it has been demanding the return of Okinawa from the United States. The new stand to work for the abolition of the security pact through diplomatic negotiations is also far more realistic than the past policy of totally denying the new security treaty. It is quite plain that the Socialist Party, even with the reins of government in hand, is unable to have the security pact abrogated of its own accord. It appears that the Socialist Party has decided to recognize the fact that the new security treaty has become internationally valid, and to fight it out against this reality. The problem is how the security pact and the military alliance front may be broken. The Socialists hold that it is possible to achieve this end step by step through the denial of U.S. military aid, the prevention of the further strengthening and eventual weakening of the national self-defense forces to the final reorganization thereof into the peace construction corps, the withdrawal of the U.S. forces in Japan, the abolision of U.S. military bases, and the return of Okinawa and the Bonins, all through diplomatic negotiations. The Democratic-Socialist Party, on its part, takes the stand that it is impossible to have the new security treaty abolished all at once and that it opposes the overthrow of the military balance between the big Powers as it endangers peace.

Salient points of the foreign policies of the Japan Socialist Party and the Democratic-Socialist party are as follows: *Socialist*—1) To abolish the security pact with the United States through diplomatic negotiations, and to promote instead economic, technical and cultural exchanges on equal and reciprocal terms. To that end, to send a friendship mission to the United States after the presidential election; 2) To conclude a peace treaty with Communist China through the abrogation of the Japan-Formosa peace pact; 3) To conclude a peace treaty with the Soviet Union after the settlement of the territorial problem involving the Kuriles; and 4) To promote exchanges with the south and north regimes of Korea in expectation of their peaceful unification in the future. In short, the Socialists aim at making friends with all nations in the socalled "positive neutrality policy." *Democratic-Socialist*—1) To maintain close relations with free democracies and to retain and promote the ties of mutual cooperation. To positively promote exchanges with Communist countries without any sense of rivalry, although their ideological and political systems are not acceptable; 2) To convert the military relations with the United States steadily into peaceful ties through the gradual exit step by step of the security pact; 3) To ask the United States for the return of Okinawa and the Bonins, and to achieve territorial claims with the Soviets at the same time; and 4) To support the representation of Communist China at the United Nations, while recognizing the existance of the two governments for China. The Democratic-Socialists thus take the stand that the principle of neutrality is unrealistic since Japan is still unable to defend herself alone against aggression. In this connection, the Democratic-Socialist Party criticizes the Socialist Party as follows: As long as the Socialist Party adheres to the stand not equally fair to the Western and Eastern camps, the nation will not be attracted by its neutrality policy much as it may claim. It is free for the Socialists to take the United States to task, but the Socialist claim to neutrality will be trusted by people only when it takes the same attitude toward the Soviet Union and Communist China. As it does not do so, the Socialist Party is open to criticism as pro-Communist and anti-American. Hence, the Democratic-Socialists cannot agree to neutralism based on non-defense and non-resistance, as it only benefits Moscow and Peking.

THE assassination of Inejiro Asanuma, chairman of the Japan Socialist Party, by a 17-year-old rightist student in front of a big audience gathering to hear his campaign speech on October 12 was a big shock to the Japanese people. Comments in newspapers and radio programs as well as the opioions of the masses in general were unanimous in the categorical denial of such violence, although they used different expressions.

RESOLUTION AGAINST VIOLENCE

They were united in the conclusion that violence is taboo under any and all circumstances, and all disputes should be settled through negotiations. In fact, there is practically nothing demanding recourse to violence in Japan today. The freedom of speech is liberally upheld, both the rightist and leftist elements are allowed to air any views they like, and people can elect any men they prefer to the National Diet and other public assemblies without restrictions. It is impossible for any parties in Japan to get the public support without recognizing the National Diet. The opinion that Japan has taken a turn to the rightist course only because of the Asanuma incident is groundless. It is true that political parties in Japan in some cases act contrary to their public allegiances, and it is also true that the people are dissatisfied with this trend. Particularly, young men, who are still too unseasoned to compromise, are apt to resort to direct action on the spur of the moment, but politicians alone are not responsible. Bound to be taken to task should also be the trend of mass communications as well as the course of educational policies, a fact demanding a close and earnest rescrutiny by all circles concerned.

Meanwhile, it was against this background that the resolution for the elimination of violence, jointly proposed by the LiberalDemocratic, Socialist and Democratic-Socialist Parties, was approved by the House of Representatives on October 24. In connection with the Asanuma incident, acts of violence by individuals happened to be brought conspicuously into the limelight. Admitting that such acts of violence by individuals should not be be allowed to exist, it may also be pointed there were in the past few years many intolerable cases of mass violence. Representative of such acts of mass violence were the "struggles" by workers in the Miike colliery dispute and the demonstrations against the U.S.-Japan Security Pact. Acts of violence, however, have not been the speciality of the masses, as the Diet chamber was oftentimes the scene of mass violence in the past. Violence is equally intolerable whether committed by individuals or the masses. Journalism was strict in taking the Government to task, but more or less generaous toward mass outrage, and it also appeared that the Government itself was somewhat sparing toward mass violence. It was the Japan Sociality Party that rigorously criticized police operations whenever mass violence occurred, and it is somewhat ironical that the party now fell a victim to the hand of violence. The scope of police authority and activity in Japan is severely restricted in Japan under the name of democratic police. It is because of such restrictions imposed on police action that the Japanese Government was obliged to ask for the deferment of President Eisenhower's visit to Japan. A demonstrator siting down on the street requires at least one policeman to take care of him. A sitdown by 10,000 demonstrators requires the mobilization of 10,000 policemen, and there is no knowing as to where they sit down. If such mass demonstrators become rampant at places and times at their will, no complete security measures are possible. Even if police suspect that demonstrators may take some action at a certain place, they cannot take any steps unless the action actually takes place. In short, the present disorder originates from a state under which the police side is required to respect the freedom and human rights of the masses, and some of the masses abuse the very freedom. Both individual terrorism and mass violence after all originate from the neglect of law and order. As mass actions are entirely free in Japan, demonstrations and picketings beyond legal restrictions are oftentimes camouflaged in the legally-permitted forms and overlooked simply as "excesses." The trouble exists in the toleration of such "illegal" excesses. One illegality invites another, and eventually encourages the trend to consider illegality legal. The assassination of Mr. Asanuma is a product of this deplorable trend. It is an undeniable fact that individual terrorism, almost extinct after the war, has revived on the spur of excessive mass demonstrations against the U.S.-Japan security pact. The Asanuma incident has given rise to the strong denial of violence by public opinion only because it resulted in the death of Mr. Asanuma, but it is clear that the incident is attributable to a series of mass violences which took place in the past. To differentiate the former from the latter is certainly paradoxical. It is imperatively necessary to create the climate denying violence in any form whatever. There is every possibility of the recurrence of the deplorable cases like the Asanuma incident if only individual violence is denied while mass violence is tolerated.

THE 49th Inter-Parliamentary Union Conference was held at the National Diet building in Tokyo on September 29 through October 7 with the participation of 371 delegates representing 49 countries. With the General Assembly of the United Nations also in session in New York almost simultaneously, the parley here was somewhat overshadowed. The debates at the confernce, however, were extremely active with the confrontation between the United States and the Soviet Union and the rivalry between Israel and the Arab states in heated exchanges turning the assembly hall into a miniature of the international situation. As the Inter-Parliamentary Union is a friendly organization aiming at closer contracts between the parliamentarians of different nations beyond the sphere of political differences, no farreaching political results are to be expected from the conference. Japan, on her part, achieved fair results in her endeavors for "invitation diplomacy." In the course of the nine-day session, the conference adopted five resolutions including two on disarmament, one on the international distribution of raw materials, one on the future of parliamentary democracy in Asia, and one on colonialism and racial discrimination.

I. P. U. CONFERENCE HELD IN TOKYO

Business Indicators

Production :—Production continued fair into August with the index for the month rising 1.0% over July (mining & manufacturing inclusive: 1955=100: adjusted to seasonal variations). After the apparent stand-still in March through April, the production index has since been on the steady hike with May up 1.7% over the preceding month, June up 2.7% and July also up 2.0%. As compared with a year ago, the August index was 25.3% higher, eclipsing the like gain of around 24.0% in June and July. On the itemized list of August production, rolled ordinary steel products and chemical fertilizers forged ahead while electric furnace pig iron and ferro-alloys receded chiefly due to the undersupply of electric power. Also smaller were household electric machines and automobiles in contrast with sound hikes of precision machines. The August production of coal also declined 7.0% from July to 3,956,000 tons chiefly because of more holidays. The output of textile products (when adjusted to seasonal variations) has continued to mark time in these few months.

1. Production, Shipment & Inventory Indices

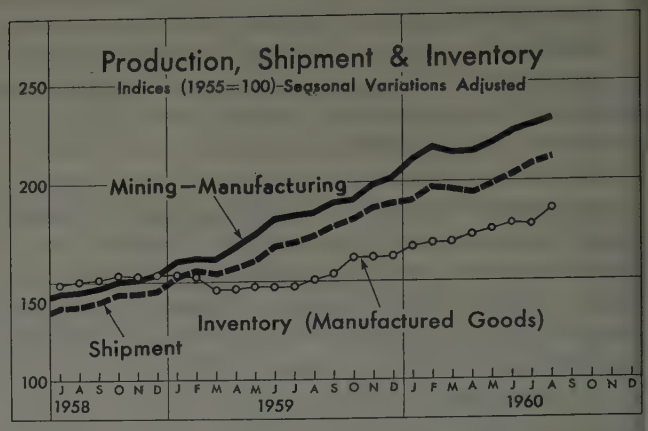
(1955=100)

	Production	Shipments	Inventories (A)	Inventories (B)
1959—August	184.8	172.6	150.7	171.5
September	189.7	177.3	153.6	176.3
October	191.4	180.7	161.8	175.0
November	198.2	186.5	162.1	176.3
December	202.4	189.0	162.2	179.9
1960—January	211.4	190.6	166.0	183.1
February	217.4	198.1	169.2	188.1
March	216.1	197.6	170.2	194.3
April	215.2	194.4	173.0	192.3
May	218.8	198.2	176.4	194.0
June	224.7	203.6	178.8	192.3
July	229.2	209.0	179.4	194.9
August*	231.4	211.5	185.8	195.2

Notes: Production inclusive of mining and manufacturing: Inventories A . . . Manufactured goods: Inventories B . . . Raw & processed materials: All indices adjusted to seasonal variations.
* Preliminary figures.
Source: Ministry of International Trade & Industry.

Shipments & Inventory:—The August index of shipments by producers (1955=100: adjusted to seasonal variations) stood at 211.5, registering a gain of 1.2% over July and up 22.3% over a year ago. Monthly shipments of ordiary and special steel products, down somewhat around the summer season, have been on a steady recovery while non-ferrous metals were also up, although machinery shipments dived somewhat in August, although they were still 41.3% higher than a year before. Equally brisk were the shipments of chemical products on the spur of swelling production. So were textile products even adjusted to seasonal variations. Thus, shipments in August continued to bulge both in mining and manufacturing sectors.

The index of inventories in hands of producers increased by 3.6% over July to 185.8 (1955=100: seasonal variations adjusted), the sharpest monthly gain registered since the start of calendar 1960. As a result, the outstanding



balance of inventories as of the end of August was 22.5% bulkier than a year ago, and the inventory index ratio also rose from 85.8% in July to 88.3% Generally speaking however, producers were not overstocked, although the increases in inventories of trucks and household electric machines deserve close note.

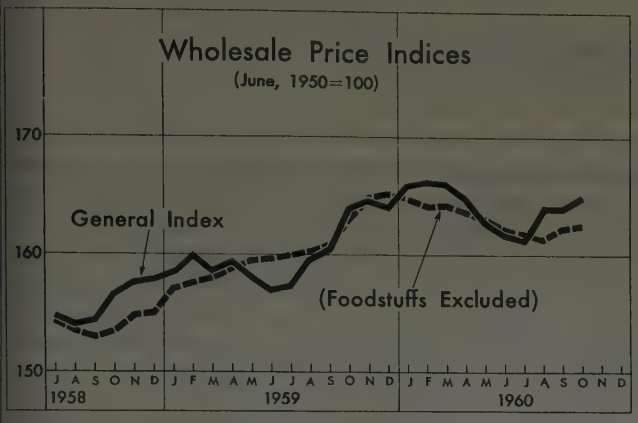
The inventory index of raw and processed materials in August made a fractional increase of 0.2% over a month ago to 195.2 (1955=100: adjusted to seasonal variations), up 13.8% over a year before, while the inventory index ratio at the end of August dived to 97.8 from 99.3 a month ago due to active consumption.

2. Increasing Rates of Wholesale & Retail Businesses

	Wholesale (%)	Retail (%)	Dept. Stores (%)
1959—January	3	8	11
February	6	6	7
March	8	9	11
April	6	15	7
May	15	15	15
June	17	14	14
July	27	11	21
August	30	11	13
September	28	11	17
October	27	11	19
November	27	13	14
December	26	12	20
1960—January	21	10	19
February	24	11	20
March	27	10	16
April	23	9	22
May	21	8	19
June	19	7	19
July	21	5	25

Note: Increasing rates over the corresponding month a year ago given.
Source: Ministry of International Trade & Industry.

Retail & Wholesale :—The sales by merchants have been increasing, according to the Ministry of International Trade & Industry. Bases on the 1955 average (as 100.0), the sales index of wholesalers in July, this year rose by 21.0% over a year ago to 202.8. Equally brisk were the sales by retailers with the index for July registering 176.1, up some 5.0% over a year before. As noted in Table 3, however, the hiking tempo of the sales by retailers as


Wholesale Price Indices
(June, 1950=100)
170
160
150
General Index
(Foodstuffs Excluded)
J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D
1958
1959
1960

well as wholesalers have slackened since about April, this year with textile products subjected to a particular slowdown. The monthly sales of department stores have continued increasing at an unabated pace, eclipsing a year ago by 19.0–20.0% in January through June with July registering a bulkier gain of 25.0%.

Prices:—The weekly wholesale price index has continued steady except for marginal gains for about a month from the second week of August through the second week of September, according to the Economic Planning Agency. The composite wholesale price index in the first week of September soared to 163.8 (June, 1950=100) from 161.5 in the first week of August, but receded to 163.8 in the week ending October 1, chiefly because of the fluctuations of the food price index. With food items excluded, however, the wholesale prices as a whole have been marking time. In following the movement of wholesale prices by group from early September through early October, building materials, textiles, machinery and fuels were bullish, metals, chemicals and sundries weakened somewhat, foodstuffs declined sharply (by 4.3%) and other groups stood still. With production moving steadily upward, however, the wholesale prices will remain stable for some time to come. In contrast, the consumer prices continued stiff. The Tokyo consumer price index (1955=100) in September registered 112.3, up 0.2% over August and 5.4% over a year ago. The September increment was chiefly due to service charges (such as barber charges) and household expenses (like rent) as well as the seasonal hike of clothing and fuels.

3. Weekly Wholesale Price Indices

(June, 1950=100)

	Sept. 1st Week, 1960 (A)	Oct. 1st Week, 1960 (B)	A/B (%)	Oct. 1st Week Against A Year Ago (%)
Composite	164.9	163.8	↦0.7	0.3
Foodstuffs	175.3	167.7	↦4.3	0.6
Textiles	77.3	78.3	1.3	↦4.7
Fuels	167.5	168.3	0.5	0.2
Metals	232.6	232.3	↦0.1	↦3.3
Machinery	186.9	168.5	0.8	0.5
Building Materials	272.1	276.9	1.7	6.7
Chemicals	103.5	103.2	↦0.4	2.3
Sundries	145.6	145.4	↦0.2	2.2
Composite (exclusive of foodstuffs)	161.7	162.5	0.5	0.2

Note: ↦ Declines; others increases.
Source: Economic Planning Agency.

Farm Crops:—The Ministry of Agriculture & Forestry reported in its crop forecast dated August 15 that the rice production in 1960 is estimated to reach 12,910,000 tons, a new all-time peak and up 410,000 tons over the 1959 crop. With weather conditions favorable since, the actual rice crop is expected to prove larger. Expected similarly favorable are the estimated crops in 1960 for barley (at 1,220,000 tons), naked barley (at 1,092,000 tons) and wheat (at 1,459,000 tons). As the Government purchase rice, barley and wheat from farmers at "support" prices, a larger cash income is promised for the agrarian community this autumn. Bulging also are dairy porducts.

Equipment Investments:—The total outlays for plant-equipment investments by 1,888 key corporations in fiscal 1960 will aggregate ¥1,613,600 million or some 48.0% larger than the equivalent spending in fiscal 1959, according to the Japan Development Bank. Equipment investments are as bulky in 1960 as in the preceding few years in the metal and electric power sectors, but the increasing tempo is particularly notable in the machinery and chemical sectors. In the machinery branch, automobiles, electric machines and industrial machines are energetic in investments in plants and equipments, while petrochemicals are at the helm of new expansion projects in the chemical sector.

4. Investment in Plants & Equipments in Fiscal 1960

(In ¥100 million)

	No. of Companies	Fiscal 1959* (A)	Fiscal 1960** (B)	A/B (%)
Electric Power	19	2,722	3,311	121
Shipping	124	511	541	106
Iron & Steel	81	1,621	2,163	133
Coal Mining	75	264	338	128
Chemicals	381	1,279	2,594	203
Machinery	341	1,329	2,490	187
Textiles	234	542	758	140
Other Industries	633	2,653	3,938	148
Total	1,888	10,931	16,136	148

Notes: * Actual: ** Planned: Chemicals including petroleum refining and rubber: Machinery including electric appliances, transportation machinery and precision machines.
Source: Japan Development Bank.

Trade & International Payments:—Japan's exports in September (customs basis) totalled $ 367,690,000, increasing $2,598,000 or 7.6% over August, and up 30.1% over a year ago. This was the second post-war high, next only to the past peak in December, 1959. The September imports also eclipsed the August level by $ 1,737,000 or 4.7% to stand at $ 385,430,000, an increase of 20.9% over a year ago. Thus, the total exports in the first half (April through September) of fiscal 1960 reached an all-time peak of $ 2,008,000,000, increasing by 18.5% over the corresponding half in 1959 while the first-half imports stood slightly lower than a year ago to register $ 2,245,000,000, although they were 21.4% bulkier than a year ago. The international payments balance for August registered a receipt excess of ¥1,500,000, or $69,000,000, inclusive of capital transactions, with the result that the foreign currency holdings as of the end of August reached $1,658,000,000, up $89,000,000 over a month ago.

Money & Banking

Money in September:—Money in September fared unexpectedly calm. Chiefly conducive to the quiet money market in September were the comparative standstill of the increasing pace of note issues and the bulky increase in the excess of payments over withdrawals in the Treasury's account (due to sizable payments in the foreign exchange and food control special accounts). As a result, the outstanding balance of Bank of Japan loans, which would usually move upward in September, made a comfortable decrease and the call money rates stood comparatively steady.

Note Issue:—The note issue by the Bank of Japan, an indicator of the nation's economic activity, registered a restricted gain of ¥7,900 million, a marginal increase over the gain in the corresponding month a year ago at ¥6,000 million, with the result that the outstanding balance of note issue as of the end of September was only 17.3% higher than a year ago and stood sufficiently lower than the July gain (over a year before) at 19.3%.

In view of the apparent slowdown of production expansion and the steadied tone of consumption, any notable increase in the Bank of Japan note issue is hardly expected in the few months to come. The problem at this juncture is the stiffening of commodity prices. In view of the possibility that wholesale prices many come to hit the ceiling due to the steady rise of production capacity sooner or later, however, the expansion of the note issue due to price factors appears unlikely, although consumer prices may continue strong for some time to come.

Payment Excess:—The excess of financial fund payments over receipts in September reached ¥39,500 million (as compared with the like excess of ¥9,900 million a year ago), far eclipsing the original estimate at around ¥7,000 million. Responsible for the unexpected development were heavy payment excesses in the foreign exchange and food control special accounts. The payment excess in the foreign exchange account in September reached ¥35,200 million (¥12,500 million a year ago) and that in the food control account registered ¥15,900 million (¥2,300 million). The unexpectedly sizable excess of payments in the foreign exchange account was the active inflow of short-term foreign funds in addition to the receipt excess $15 million in visible trade transactions. The inflow of short-term foreign funds reached some ¥8,200 million including $28 million in free yen, $19 million in Euro-dollars and ¥23 million in unsecured loans from foreign banks, although no accurate figures of usance bills were available at this writing.

Call Market:—Against such backgrounds, the funds in September were oversupplied to the extent of $21,600 million, far larger than the like oversupply of ¥3,900 million a year ago. Although reserve deposits by city monetary institutions with the Bank of Japan increased ¥9,200 million and the excess of absorption by the Bank of Japan in all accounts stood at ¥9,100 million, the outstanding balance of loans by the central bank in September dwindled by $12,500 million to the September-end total of ¥450,700 million (or up by only ¥33,200 million over a year before), a notable comparison with the increase of ¥53,00 million in September a year ago.

In these circumstances, the call market was comparatively calm, partly because of the unexpectedly large excess of payments but also because of the easing of restrictions by the Bank of Japan. The call rates, which were comparatively stiff in the early part of the month due to the start of the periodical transfer of tax receipts by city banks to the Bank of Japan, began to soften in the latter half as the excess of payments in the Treasury accounts grew larger, with the lowest rate for overnight loans diving below 2 sen per diem per ¥100 (as compared with the agreed rate of 2.3 sen).

Money in 1st Half:—Meanwhile, the supply-demand balance of funds in the first half (April through September) of fiscal 1960 grew somewhat adverse, as the increase of note issue reached ¥15,400 million and the withdrawal excess of financial funds totalled ¥60,300 million, well reflective of the further permeation of a new boom in the national. economy. With the supply-demand of funds thus adversely balanced, however, the increase of Bank of Japan loans in the first half was restricted to only ¥25,100 million, or ¥19,800 million over the like increase of ¥5,300 million in the corresponding half in 1959, principally due to the purchasing operations (¥50,000 million) of short-term government bonds by the Bank of Japan in early August. Otherwise, Bank of Japan loans would have swelled by about ¥75,000 million. The active influx of short-term foreign funds though exchange liberalization also served to soften monetary operations and slacken the call market. Some of the outstanding features of money in the first half of fiscal 1960 are: 1) The increasing tempo of Bank of Japan note issue appears to have hit the ceiling; 2) The swelling pace of the withdrawal excess in the Treasury's accounts based chiefly on tax revenue was relatively offset by the payment excess in the foreign exchange account; and 3) The apparent change-over of the Bank of Japan policy as witnessed in open market (buying) operations.

Money in September

(In ¥100 million)

	September 1960	September 1959	1st-half 1960	1st-half 1959
BOJ Notes	79	60	444	290
Financial Funds	295	99	▲115	488
BOJ Loans	▲125	35	251	53
Other BOJ Accounts	▲ 91	▲74	308	▲251
BOJ Note Issue Balance	9,209	7,853	—	—
BOJ Loan Balance	4,507	4,175	—	—

Note: ▲denotes withdrawal excess or decrease: others payment excess or increases.

Source: Bank of Japan.

Stock Market

High Prices On:—The stock market continued sufficiently bullish into October although many stocks became ex rights or ex dividends following the September settlements of many corporations. In the first decade of October, the stock quotations weakened somewhat as the Ministry of Finance started a survey of business excesses of securities merchants. The Dow Jones average of 552 pivotals, which rose to ¥1,230.34 as October 1, dived by about ¥15.00 from October 6 through 9, while the daily volume of turnovers, which exceeded 200,000,000 shares from late September through early October, dwindled sharply to the 70,000,000-share mark from about October 5. The lethargy, however, was short-lived, as several stimulants remained in existence in the absence of decisive dampers. Among such stimulants were: 1) With the easier money period due to set in, the rates of interest on deposits are tending downward; 2) The basic keynote of the international payments balance stood firm and industrial production continued stiff; and 3) Investment trust business has kept on making a sound growth. Thus, the stock market began to recover from about October 10, and the Dow Jones average climbed to a new peak at ¥1,255.83 on October 15. In the interim, the assassination of Inejiro Asanuma, chairman of the Japan Socialist Party, on October 12 came as a big shock to traders, and a bulky decline of over ¥16.00 was registered in the Dow Jones average in the morning session on October 13, as spilling operations predominated the market for fear of political uncertainty. In the afternoon session, however, the bulls came to take the helm of the market and the average stood only ¥2.62 below the preceding day at the close of the session.

Swelling Turnover:—One of the noteworthy features of the stock market in recent months has been the marked growth of daily turnovers. On September 30, the transactions at the Tokyo Securities Exchange exceeded the 200,000,000 mark to reach 222,850,000 shares, a new all-time peak. The past high was registered on December 2, 1959 when the volume of transactions swelled to 189,950,000 shares. The sharp increase in the volume of daily transactions at the stock market in recent months is partly attributable to an intensified race among major securities merchants for the top place in turnovers handled. In August, Nomura Securities, for months at the top of the "Big 4" securities merchants in monthly transactions, was replaced by Yamaichi Securities and Nikko Securities, and dropped to the third place. The race for larger transactions on the market has not been restricted to the "Big 4," as the advance of securities dealers of lesser calibre has become noteworthy. The ratios of the "Big 4," 11 medium-sized dealers and 84 smaller merchants in the total volume of turnovers at the Tokyo Securities Exchange in the five months from April through August, 1960 registered significant changes in comparison with the corresponding figures in the preceding five months, January through May. The ratios, which stood at 71.7%, 12.3% and 15.9%, respectively, in the former period, changed to 68.7%, 16.0% and 15.3% in the latter period, thus indicating the fair gain of the medium-sized dealers. Especially notable were the advances of Nippon Kangyo, Yachiyo, Koa, Daisho and Yamazaki which had their transactions swelling by 3.7 to 4.3 fold in the interim.

Meanwhile, the advance of Daisho Shoken in the field of investment trust operations has also been remarkable, as its new establishments in September totalled ¥3,400 million, beating ¥3,300 million of Daiwa Securities, one of the "Big 4."

Commissions Reduced:—The commissions payable to securities merchants by customers for securities transactions have been reduced, effective from November, through arrangements made between the Ministry of Finance and securities merchants. This is the first cut of stock brokerages in four and a half years since May, 1956. The new commission rates are as follows:

Contract prices		A	B	C	D	Margin trading
Under	¥ 50	¥1.30	¥1.20	¥1.00	¥1.00	¥0.80
〃	75	1.50	1.30	1.20	1.10	0.90
〃	100	1.70	1.50	1.40	1.20	1.00
〃	150	1.90	1.70	1.50	1.30	1.10
〃	200	2.00	1.80	1.60	1.40	1.20
〃	250	2.20	2.00	1.80	1.50	1.30
〃	1,000	5.00	4.50	4.00	3.50	3.00

Notes: A . . . under 5,000 shares; B . . . 5,000-10,000 shares; C . . . 10,000-30,000 shares; D . . . over 30,000 shares.

T.S.E.'s Rules Changed:—The Articles of Association of the Tokyo Securities Exchange will be drastically changed for the first time since the rules were set in April, 1949. The present Articles of Association, drafted in 1949 when the Japanese economy had not as yet recovered sufficiently from postwar confusion, were patterned after those of the San Francisco Stock Exchange. As the economic conditions and business usages in Japan and the United States were different then as they are today, the direct transfer of the San Francisco text to Tokyo was in itself somewhat unacceptable. The Articles of Association of the Tokyo Securities Exchange have since been subjected to minor revisions. Marked transmutations of Japanese economic operations in the past 10 odd years, however, have demanded the overall revision. As one of the major points of the revision, the functions of the Chairman will be markedly strengthened. Measures taken by the management of the Tokyo Securities Exchange to cope with unexpected confusion of the market due to artificial operations have not so far been satisfactory and timely. The authority of the Chairman will be sufficiently strengthened

through the new revision in the phase of controlling the market by giving him greater maneuverability in action. At the same time, the character of the securities exchange as an organ catering to public interests will be more strongly stressed through the revision. Consequently, the existing board of directors will be reorganized with the addition of two new members (the first representing public interests and the second representing financial circles) to the 19 directors representing securities circles under the present system. The revision will take effect following the approval by the general meeting of member companies on October 25.

1. Transitions of Week-End Stock Prices

(New Dow-Jones Average)

	September			
	3rd	10th	17th	24th
Average of 225 Pivotals	1,181.25	1,191.84	1,198.29	1,215.09
Fisheries	246.81	245.10	267.29	270.72
Mining	358.30	375.32	371.04	387.68
Foodstuffs	2,692.43	2,775.52	2,745.48	2,819.45
Textiles	639.16	640.59	654.08	657.35
Paper, Pulp	809.36	812.67	818.38	842.18
Chemicals	715.82	730.26	723.53	732.06
Petroleum, Coal Products	2,569.34	2,489.66	2,452.49	2,481.73
Glass, Clay, Stone Products	2,510.72	2,499.24	2,477.10	2,491.89
Primary Metals	373.83	378.47	382.20	386.23
Machinery	1,359.76	1,327.80	1,330.30	1,320.88
Electric Machines, Tools	1,223.68	1,213.75	1,227.92	1,252.02
Transportation Machinery	779.61	789.24	792.46	799.74
Precision Machines	1,000.49	981.23	1,045.81	1,013.37
Other Manufactures	2,000.81	2,032.95	2,076.99	2,194.14
Commerce	2,201.92	2,221.72	2,306.86	2,308.05
Banking, Insurance	773.00	768.67	766.06	767.77
Real Estate	3,390.28	3,428.38	3,431.54	3,396.62
Land Transportation	634.78	635.87	637.88	647.18
Ocean Shipping	183.81	194.22	198.83	215.10
Warehousing	1,194.60	1,253.85	1,247.25	1,247.25
Electricity, Gas	228.71	231.14	230.78	230.39
Services	472.58	475.90	480.78	489.77

Note: Stocks listed with the Tokyo Securities Exchange.
Source: Tokyo Securities Exchange.

2. Transitions of Week-End Stock Prices

(New Dow-Jones Averge)

	October			
	1st	8th	15th	22nd
Average of 225 Pivotals	231.29	229.32	236.08	236.64
Fisheries	114.74	107.44	110.92	112.66
Mining	80.11	75.69	81.22	79.19
Foodstuff	351.17	348.21	351.59	351.55
Textiles	128.00	125.39	126.51	127.85
Paper-Pulp	119.43	117.63	117.75	119.43
Chemicals	206.10	205.41	216.14	214.63
Petroleum-Coal	220.24	222.44	224.15	225.37
Glass, Clay, Stones	425.80	433.97	449.20	460.53
Iron-Steel	161.81	159.47	172.63	173.55
Non-ferrous Metal	168.64	166.09	166.32	167.02
Machinery	479.76	476.06	501.09	515.67
Electric Machinery	466.88	464.75	965.39	452.18
Transportation Equipments	266.45	260.29	275.65	270.53
Precision Machinery	316.86	308.85	326.82	332.80
Other Manufactures	421.04	419.39	428.06	426.19
Commerce	289.65	283.61	287.29	288.03
Banking Insurance	93.45	93.13	94.74	95.82
Real Estate	602.36	621.99	675.27	669.10
Land Transportation	242.78	240.24	240.83	242.11
Ocean Shipping	45.79	43.83	43.55	45.04
Warehousing	171.13	164.98	164.55	166.74
Electricity, Gas	70.05	69.48	69.51	69.57
Services	149.32	151.70	149.73	149.11

Notes: As of October 1, 1960, the publication of the old Dow-Jones averages has been discontinued; from this issue on, the new Dow-Jones averages will replace the old ones with some changes in classifications.

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Manpower Situation

Is the Labor Supply Really Tight?

AT no time since the war have complaints about the supply of manpower been so loud as in recent months; and in this connection several questions are raised.

First. Is the so-called manpower shortage real? In what sectors of business and industry is it being felt, and what are the causes? Is it a relative matter, or absolute?

Second. If a shortage does in fact exist, is it temporary or does it represent a long-term trend? One of the chronic ills of Japan has been the existence of a vast number of low-income jobholders toiling under substandard working conditions. Is this trouble in the process of disappearing?

Third. what effect, if any, is the apparent shortage of labor having on the shape of Japan's system of employment, heretofore characterized by such features as pay on a straight seniority basis, and inflexibility of movement from one job to another?

Middle School Graduates at a Premium

According to the Labor Bureau of the Tokyo Metropolitan Government, recruitment of new middle school graduates last spring in the southwestern sector of Tokyo, where there is a concentration of large electrical manufacturing operations, was of such magnitude that some 6,000 girl workers were sought, while the jobseekers of this type in the area came to only 2,600. With demand thus far exceeding supply, the commuting range was extended to include such distant points as Urawa (in Saitama Prefecture, due north of downtown Tokyo) and Chiba (in Chiba Prefecture, due east). Even then, recruitment was far from smooth. The result, particularly with the big operations, was the establishment of dormitories or other arrangements to permit the hiring or girl middle school graduates from the provinces, while quite a few companies decided to concentrate on high school graduates who, being at least three years older, draw higher pay.

As this example shows, the supply of manpower is tightest in that category known as the younger (particularly middle school graduate) new labor force (jobseekers for the first time).

Most businesses that tried, around October last year, to sign up middle school undergraduates for employment in April this year were turned down by the school authorities with the remark: "You're much too late."

The reason for this situation is partly due to dwindling supply.

1. With business following a boom trend, the growth of metal and machinery production, revolving around the electrical equipment and appliances industry, has been remarkable. However, while the manpower requirements of this sector have increased notably, the type of labor sought is in the main youngsters just out of middle school. The jobs that have to be filled are preponderantly those calling for simple work at the lowest possible starting pay.

2. In the big cities, the number of students going on into high schools is steadily mounting, and therefore the tendency in recent years is a relative fall-off of jobseekers among middle school graduates. Moreover, the decline in the birth rate toward the end of the war years reduced the middle school graduating class of 1960 to about 176,000, some 200,000 less than in 1959 or 1958. (The postwar baby boom will be reflected in record crops of middle school graduates from 1962 on, but this too will soon taper off sharply. Nevertheless, the current shortage can be regarded, to some extent, as due to a specific cause.)

Shortage of Skilled Workers and Engineers

Perhaps even more serious than the shortage of new middle school graduates is the low availability of such skilled workers as machinists, fitters, and auto mechanics. The nationwide survey of some 9,000 establishments undertaken last February by the Ministry of Labor in regard to skilled labor reveals the facts summarized below.

1. The shortage felt by the industries surveyed is estimated at 810,000 workers, and the shortage rate (requirement versus actual number of skilled workers employed) stood at 14.7 percent. The shortage was most serious in manufacturing (16.8 percent) and in this category the worst pinch was experienced by metals and machinery manufacturing (17.4 percent). Conversely, such sectors as mining (2.7 percent) and utilities (electric power, gas and water, at 1.9 percent) were much better off. On the other hand, building and construction (16.7 percent) and repair (16.2 percent) followed close on the heels of machinery manufacturing.

2. Numerically, the shortage of skilled labor was most serious in mechanics (73,000), followed by radio and TV repairmen (34,000), fitters (29,000), machinery assembly workers (25,000) and powerpress operators (18,000).

In terms of shortage rate, the low supply of radio and TV repairmen was the worst at 27 percent, while the rates with other jobs were: powerpress operators, 23 percent; plasterers, 21 percent; construction equipment mechanics, 20 percent; sheet metalworkers, 19.9 percent; concrete blocklayers 19.5 percent; and farm equipment repairmen, 18.6 percent.

When the shortage in 1960 of mechanics, fitters, and 23 other types of skilled workers is compared with that of 1958 the increase is in the order of 180 percent (330,000 versus 180,000), while the shortage rate has about doubled (15.4 percent versus 8.2 percent).

The main reason for this shortage is thought to be the sudden growth of the metals and machinery industry (Cf. "Labor White Paper, 1960"). Although advancement of industrial technology tends to bring about a relative decrease in absorption of skilled labor (per unit product), the growth of volume has been so great that real shortage could not be avoided. The Labor White Paper goes

on to say that while many medium and small enterprises are engaged in metals and machinery manufacturing, they tend to lack facilities for training in special skills. Moreover, free flow of skilled labor from one sector to another or from one business to another is impeded by the seniority pay system of the big businesess, and by the gap between the engineering standards of big and small businesses.

It appears that statistics covering the shortages felt in connection with university and other specially trained engineers and experts are rather inadequate. However, according to a survey undertaken by the Students Employment Liason Council of Kansai, the fulfillment rate (graduates available as against jobs offered) for science and engineering university graduates last spring (1960) was only 77 percent. This coming spring (1961) the job openings for graduates of this category will be doubled, yet the number of students has not been substantially increased. Since the shortage of highly trained technical and scientific manpower is attributable directly to the education system, there can be no improvement of the situation unless some drastic action is taken to remedy the schooling arrangement. According to the Economic Planning Agency, the estimates are that in the decade to come there will be a shortage of some 430,000 engineers with university or high school technology training.

1. University Graduates Fulfillment Rates & 1961 Job Opportunities

	Fulfillment Rates, '60 (number of graduates Vs. job opportunities)		Job Opportunities, '61 (percentage increase over 1960)	
	Social Sciences	Natural Sciences	Social Sciences	Natural Sciences
Big Businesses	98.1%	85.0%	16.7%	68.5%
Medium Businesses	102.9	76.9	16.5	119.1
Small Businesses	86.6	51.4	33.3	221.6
Overall Average	98.2	77.4	18.2	107.0

Source: Students Employment Liaison Council of Kansai.

Medium and Small Enterprises Hardest Hit

Let us next see where the manpower shortage is felt, and how. The big and well-known companies are not particularly worried; the pinch is felt by the medium and small businesses, particularly the marginal operations. In the case of middle school graduate jobseekers, the vast majority is swallowed up by the metals and machinery industry, notably the electrical equipment and appliances manufacturers. Consequently, the small shopkeepers and service trade operators are finding it increasingly difficult to find paid help. Even in metals and manufacturing, the jobseekers flock to the big operations, and the small enterprises are bypassed. Moreover, while the big businesses have the means to maintain dormitories, and go to the provinces to recruit workers, such arrangements are usually beyond the capabilities of the smaller operators. The effects of the manpower shortage therefore are shifted onto the medium and small enterprises, particularly the small commercial and service operations.

This, perhaps, is natural. The small businesses have so much less to offer: working hours are long, the conditions are poor (substandard surroundings, paid vacations short, wages low, and work often strenuous), welfare facilities are in most cases non-existent, while in some extreme cases even health insurance is not provided. On top of this there is uncertainly about the future of the business itself.

The growth industries, while experiencing higher workforce requirements, do not feel the tightening of supply as do the small commercial and service trade operations. In the trades (carpenters, plasterers, paperhangers, &c.), while there is very little increase in manpower needs, the availability of replacements is steadily declining.

In some sectors, there is a definite trend among small operations, to boost starting pay, to establish a definite pay scale with regular increases, to institute a separation pay system, and to improve working conditions. But nothing substantial can be done to check the flow of jobseekers toward the growth industries, particularly the big name companies.

Disparities Severe

The so-call manpower shortage is by no means uniformly prevalent throughout Japan. As pointed out by the Labor White Paper, the phenomenon is restricted to the big industrial centers and environs, which by their nature are becoming unsuitable as sources of supply of labor for the rapidly expanding metals and machinery manufacturing operations. Conversely, it can be said that, with few exceptions, the areas away from the big industrial centers are experiencing no shortage at all.

Another point that must be noted is that the so-called shortage is by no means general. While, with middle school graduates, particularly girls, job opportunities are virtually limitless, employment is becoming difficult to find for the 31 years and over age-group. The jobless of this group, seeking employment through the Public Employment Stabilization Offices, are more difficult to place in steady jobs the older they become.

In the case of advanced age jobless, their re-employment in the majority of cases is not in the bigger businesses but in the medium and small operations. Furthermore, the probability of their being hired as regular, permanent employees tends to be low as compared to workers of the younger age groups. This tendency remains unchanged despite the purportedly "acute shortage" of manpower.

From the standpotnt of the employers, the younger the age the cheaper, and the more adaptable to the changes that occur as technological progress accelerates. Consequently, the new crops of school graduates are given high preference, and this leads to the probability that unemployment among the higher age groups will continue to remain an increasingly nettlesome problem.

2. Placement Rate by Age Group
(Percentage of Placement Vs. Jobseekers)

	Male	Female
Overall Rate	10.0%	7.5%
20 years and under	25.0	21.9
21 to 30	11.9	4.8
31 to 40	6.7	7.2
41 to 50	3.2	4.4
51 years and over	1.2	0,1

Note:—Figures cover PESO job placements in Osaka Prefecture, October and November 1959.
Source: Labor Dept. Osaka Prefectural Government.

When the employment problems of the middle age groups be that there continues to be a surplus of non-technical are reviewed from another angle, the indications seem to

workers such as clerks, guards and janitors.

The job scarcity rate (job opportunities available versus jobseekers) in Tokyo in November 1959 was, in the case of lathe operators, powerpress operators, and other skilled hands, at about unity (opportunities matching applicants); but with clerical workers in general, the job openings were only 1 for every 8.5 applicants, while with security guards there was only 1 opening for every 12.8 candidates. This general tendency toward surplus applies also, in the long run, to graduates of social science courses. According to the present education program, there will be, after ten years, some 720,000 graduates of the regular course in high school, and some 290,000 graduates of the social sciences courses of universities among those in excess of estimated needs for non-specialized personnel.

Shortages Within a General Surplus

Considerable study will have to be undertaken to answer all the questions posed at the outset of this article. But it will be readily grasped from the foreigoing that there is really nothing to bear out the complaints about manpower shortages. There is no significant evidence of a general tightening of the labor supply. The Labor White Paper is therefore correct in pointing out that "at the present stage, while the so-called shortages tend to be restricted the special groups and strata such as skilled labor in the industrial centers, and the low age workers who as a result of the high absorption by the growing metals and machinery industry cannot be recruited in adequate numbers by the small and marginal operations, there is no discernible improvement of the situation surrounding jobseekers of high age. Should, with progress seen in industrial innovation, there be created a surplus of skilled labor of the old type, there will doubtless be a further sharpening of the disparity between the old and younger age groups."

High Food Prices, Why?

WHILE wholesale prices maintain a steady course, the price of consumer goods, particularly food, has gone up sharply during the past month or so. Housewives are complaining bitterly about sudden swelling of household expenditures, while organized labor is provided with a good reason for demanding big wage increases. Prime Minister Ikeda's "doubling of income" campaign has been ambushed in a totally unexpected way.

Prime Minister Ikeda a short while ago grandiloquently announced that "with the certainty that the economic growth for the current fiscal year will be more than 10 percent, following upon the 17 percent achieved in fiscal 1959-60, and with production mounting to assure a plentiful supply of goods, there definitely will be no climb of prices."

Hardly had the echoes of this pronouncement died out, the air throughout the country was rent with the anguished cries of housewives protesting the high prices of necessities. This was an attack which caught the Ikeda camp completely unawares.

True, the wholesale price indices show no uptrend. The weekly wholesale price index of the Economic Planning Agency declined steadily subsequent to the high mark of February last, and although there was a slight rise in August, this was but 1.3 percent of the peak level of February. Similarly, the Bank of Japan wholesale price index declined steadily after November 1959, and the rise of August was in the order of 0.8 percent of the November level.

With retail consumer prices, however, the rise was quite noticeable. According to the Bank of Japan, the retail price index (for Tokyo) touched bottom in April 1959, and has since been on a steady uptrend, the rise by August 31, 1960 being 6.6 percent. The figures for Tokyo compiled by the office of the Prime Minister likewise show that after the low registered in June 1959, the rise by August was 6.7 percent. The trend is precisely the opposite that of wholesale prices.

Main Cause is Rise of Necessities Prices

Why this divergence between wholesale prices and retail or consumer prices? Although several factors can be considered, the biggest reason appears to be the disparities in weight accorded food prices when computing the commodity price indices. In the case of the statistics compiled by the Economic Planning Agency, the wholesale price index is computed with food prices given 23.7 points (total, 100), while the Bank of Japan works with 25.9 points. On the other hand, the retail or consumer price index figures are computed with far more weight attached to food prices; 52.4 points (out of 100) in the case of the Bank of Japan, and 48.3 points in the case of the Office of the Prime Minister. This means that the retail or consumer price index figures are affected roughly twice as much by fluctuations of food prices than are the wholesale price indices.

Whereas from June 1959 through May 1960 there was a 5.1 percent rise of consumer prices, 64 percent of this rise was attributable to the climb of food prices (6.8 percent rise).

In any event, the rise of by more than 6 percent of retail and consumer prices, closely related to daily necessities, since the previous low means that a household with a monthly income of ¥30,000 is required to spend about ¥2,000 more each month, while for those with an income of ¥50,000 the extra spending is in the order of some ¥3,300.

The tabulation given below shows how various consumer items have gone up or are expected to rise in

price this year. Quite a number of the items listed are under consideration. But it can be seen that the housewives have good reason to raise an outcry. To *Sohyo* (General Council of Japanese Trade Unions) and *Zenro* (Congress of Trade Unions of Japan), which have been vigorously advocating pay increases for government and public workers, what better excuse could there be for demanding higher pay for industrial workers?

Causes of Price Rise are Diversified

The causes of the rise of the price of daily necessities are generally speaking the following:

1) With general rise of income, there has occurred betterment of food consumption standards, which has resulted in a change of buying habits. More money is going into purchases of bread, meat, milk, butter and other foods heretofore regarded rather as "luxuries."

2) With improvement seen in such facilities as motor highways, transportation, and storage, together with the advancement of economic knowledge among the farmers, there has been considerable progress achieved in regulation of production and shipments. The high prices fetched by vegetables and tubers since the Ise Bay ty-

Rates of Rise of Consumer Prices and their Contribution to Rise of Retail Price Index

(June 1959 to June 1960)

	Percentage Rise	Percentage Contribution
Foods	5%	64.7%
Staple Food	↦ 2	↦2.2
Non-Staple Food	9	67.8
Housing	5	9.1
Light. Heat	5	7.9
Clothing	1	4.9
Sundries	1	14.2

Source: Economic Planning Agency

Price Rise of Principal Daily Necessities

Foodstuff	
Bread (per lb.)	¥30—¥35 (in August)
Flour (per 22 kg. sack)	up ¥25 on the average from September
Noodles	¥30—¥35 (in August)
Onions (per 30 kg)	wholesale ¥280—¥650
Carrots (per kg)	wholesale ¥14-¥15—¥45
Cabbages (per kg)	wholesale ¥8-10—¥16-17
	levels of early September, 1950—1960
Pork (per kg)	wholesale ¥320—¥400
Ham (per kg)	wholesale ¥620—¥780
Bacon (per kg)	wholesale ¥509—¥680
	levels of August 1959—1960
Milk (180 cc)	up ¥1 (in June)
Miso (bean paste. per 400 g)	¥35—¥40 (in September)
Soy Sauce (per 2 liters)	¥175—¥185 (in August)
Ice (per Kan-3.75 kg)	¥30—¥35 (summer 1960)
Utilities Rates	
Electricity	Kyushu Electric Power Co. applying for 17.55% average increase
Bus	Tokyo 11.5% up. Osaka 11.95% up (January)
Subway fares	Up ¥5 (Tokyo, April; Nagoya, June; Osaka. July) 20% increase for commuting season tickets. 10% increase for student season tickets proposed
Private R.R. fares	20% increase of season ticket prices proposed
Express carrier rates	Up 5.03% (February)
Service Fees. Charges	
Public Bathhouse Charge	¥16—¥17 (in July)
Barbershops, Hairdressers. Laundry. &c.	Prices moving upward due to revision of minimum charges in urban centers to ¥149.91 for haircut, shampoo & shave; ¥482.44 for cold wave and set; and ¥34.95 for laundering a shirt under the Environment Hygiene Law

phoon of last year due in part to this change in situation.

3) High labor cost has resulted in price rise of certain types of commodities and services. Bread, milk, and barber and hairdresser charges are examples.

4) Rising construction costs are causing upward revisions of public utility charges and fares.

According to past experience, the movements of retail prices usually lagged some six to eight months behind those of wholesale prices. This time, however, the situation is completely different. Should the upping of Government Railways fares and electric power rates to be authorized, it is likely that other necessities prices will be spurred toward further rise. In the event wholesale prices continue to mark time, then the gaps between wholesale, retail and consumer price indices will tend to widen. Leaving this problem for the moment, let us take a closer look at the rise of food prices.

Supply Unable to Keep Up with Demand

The slaughterhouse price of prime pork (Shibaura Municipal Abattoir) stood at ¥413 per kilo in August, more than double the ¥203 of May 1959. This record level naturally caused a soaring of retail prices, and some small butcher shops have been so hard hit by customer resistance that they have gone out of business. One of the causes of this phenomenal rise of the price of pork is the change that has occurred in the pattern of consumption due to rising standards of living. The supply of meat and dairy products simply has not kept up with the expanding demand. The consumption of pork per Tokyo household in 1953 was 656 grams per month; but last year the average monthly requirement was up at the 738-gram level. Beef consumption also jumped from 416 grams per household per month in 1953 to 680 grams last year.

In the interim, the supply-demand balance in the case of pork tended to fluctuate much more than in the case of beef. Because beef takes three years or more to grow, the supply tends to be fairly steady; but because pork can be marketed in 10 months or so after insemination, the farmers rush to raise hogs whenever the price of pork takes an upturn. This results in a temporary oversupply and causes short supply and plummeting price. This dampens interest in hograising and causing short supply and high price again. This cyclic trend of the price of pork was not so noticeable in recent years, but there is a definite major rhythm manifesting a cycle of two to three years.

Distribution System Also Responsible

The abnormally high price of pork this year is primarily due to farmers shying away from hog-raising, even to the extent of ridding themselves of stud animals, as a result of the price slump of 1959. Another cause was the hog cholera epidemic which hit Chiba and Ibaragi Prefectures in 1958.

Because of the short supply the Ministry of Agriculture and Forestry decided upon importation of 3,500 tons of pork and 1,500 tons of beef, making available the foreign exchange for this purpose (pork and beef are still in the exchange quota allocation category). Delivery of these quantities was scheduled for not later than September. However, prime pork and beef are costly in other countries too; and it has not been possible to buy on a competitive basis anything better than low-grade brisket. Consequently, importation has not been a satis-

factory solution of the problem.

The distribution system is also partly to blame for the trouble. Currently, three markets are involved: production area, collection center, and consumer area. The commodity passes from farmer to middleman, then from middleman to retailer through the public slaughterhouses. According to all accounts, the transaction at the collection center is not on an auction basis, and because buying is restricted to a limited number of middlemen there tends to be an excess of deals involving speculation.

Recently, the soaring pork price shows signs of levelling off, and it appears that the peak of the big cycle has been reached. The pork dealers opine that the price will mark time at a high level through this year, then will start on a decline from early 1961, with supply regaining normal level around autumn to permit a wholesale price of about ¥350 per kilogram. It appears unlikely that a level lower than ¥300 will ever be achieved in the foreseeable future.

Beef Price Affected by Pork

Because pork consumers turned to beef as a substitute, the price of beef too swung upward. The Shibaura price for prime native beef in August averaged ¥64 higher per kilo than a year before, while with regular grade the difference was by as much as ¥88 per kilo. As in the case of pork, there is a definite shortage of beef; and because it takes longer to produce beef the tendency will continue to prevail for some time.

Mechanization of the farm, and the increasingly high incidence of power cultivators has tended to reduce the cattle population. To make matters worse, there is a tendency toward use of calves for processed meat. Therefore the rate of increase of the cattle population is on the decline. In some quarters it is opined that although it may be possible to maintain an increase of milch cows, the upping of the beef cattle population will become increasingly difficult. Consequently, those in the business felt it unlikely that there will be any appreciable decline of the price of beef.

It is certain that the demand for various types of meat will continue to increase. The experts studying the problem of equalizing the farm and fishery sectors predict that in ten years' time the demand for meat will be double or three-fold the present level. Consequently, the livestock production policy will have to be reviewed in order to work out a solution of the shortage problem.

Vegetables

Onions and Cabbages Highest

Vegatables are numerous and varied. We shall, however, look into the prices of those that are closest to daily living. Moreover, since vegetables are seasonal products, a mere study of the ups and downs of price levels tends to be meaningless. Consequently, comparisons will be with a year or two years ago.

The bulk of the vegetables that are eaten by Tokyo households goes through the Tsukiji, Kanda, Yodobashi and other municipal markets to the greengrocers' stands. A study of the price quotations at these vegetable markets shows that the biggest rises were indicated by carrots, onions, and cabbages, the so-called household vegetables. The tabulation of commodity price rises given previously shows that the early September price of carrots was three times that of a year ago, while with onions and cabbages, the rise was two-fold. Such items as sweet potatoes, lotus root, and lettuce also indicated rises.

On the other hand, there are some vegetables which were somewhat cheaper this year than in 1959. Potatoes, eggplants, cucumbers, and *daikon* (giant white radish) are examples, the eggplant going down close to half the price of last year. Nevertheless, the general impression was that prices were up, partly because last year's bumper crop made for abnormally low quotations. Onions so glutted the market that farmers this year shied away from planting this item. Another reason was the exceptionally dry rainy season. Because of lack of rainfall during June, the ripening period, the crops tended to be poor, particularly with cabbages.

Moreover, production tended to lag behind growing demand, especially in the case of the non-indigenous varieties. The change of buying habits applies also to vegetables. Sweet potatoes appear to be waning in popularity while celery, lettuce and other "imported" vegetables are in high demand. Production of these items is restricted to certain specific districts such as Chiba Prefecture because of technical limitations, so demand cannot be adequately met.

Expansion of Supply Area

The rise of vegetable prices was triggered off by the Ise Bay typhoon of last year, with the devastation of the vegetable fields of Aichi and adjacent prefectures.

This year, however, there has been no notable typhoon damage, although the dry spell of June was a setback. The weather, generally speaking, has been good, and there is no valid reason for production to be lagging behind the level of last summer, before the big typhoon. Prices, once they are boosted by one cause or another, tend to stay up. The officials in charge of the vegetable markets of Tokyo say they themselves cannot understand why, despite plentiful supply, the general price level does not come down.

One theory has it that supply is becoming tight because so much of the truck gardening land in the environs of Tokyo has been converted to dwelling sites. This, nevertheless, has been more than covered by the expansion of the vegetable production area to such distant prefectures as Nagano, Fukushima and Miyagi in addition to the Kanto area. Consequently, although there may be differences in availability between varieties, the overall supply should be adequate. The greater distances, of course, would result in higher transportation costs, while the high prices prevailing in the areas adjacent to Tokyo tend to spread to the outlying areas. Another reason for the firmness indicated by vegetable prices is the vast improvement effected in storage and forwarding facilities, which prevents excessive price drops due to

spoilage and dumping.

Albeit, there is no good explanation of the fact that while prices soar when typhoons strike there is no decline when the weather conditions are favorable. It appears that further study must be made of such factors as change of the buying pattern due to the rising standard of living.

Other Foods

Notable Surge of Necessities Prices

This summer brought about high prices for such food supplies as *miso* (fermented bean paste), soy sauce, bread and milk. Of these, the rise in price of *miso*, soy sauce and bread was caused by higher materials and labor costs rather than by tightness of supply. Let us look into the situation, particularly in connection with soy sauce and milk.

On August 13, Noda Shoyu, the biggest brewer of soy sauce upped its prices by ¥10 for 2-liter bottles, and by ¥100 for 18-liter tubs. This led to the other big manufacturers (Yamasa, Higeta and Marukin) increasing their prices so that the average for the big-four brands rose to ¥175–¥185 per 2-liter bottle, while other lesser brands too went up by about ¥10. The reasons for this rise were higher materials cost and rising cost of labor, the former being predominant in so far as about 80 percent of the cost of soy sauce is attributable to raw materials. Soybean, salt and barley are the principal ingredients; and of these soybean constitutes the biggest cost factor. Some 90 percent of the soybean used is in the form of oil-extracted soybean, which since yearend 1959 has gone up by some 20 percent. This together with the steadily rising cost of labor made it necessary, according to the soy sauce brewers, to raise the price in order to avoid deterioration of quality. Price hikes for such household necessities as soy sauce or *miso* are difficult undertakings since the consumer is directly affected. Consequently, subsequent to the lifting of government control over prices in 1951 the rise was in the order of only ¥5 per 2-litter bottle. This was considerably less than the rise, in the interim, of the cost of raw materials.

Oil-extracted soybean nowcosts 556 times prewar (1934–36), while salt has gone up 258-fold. Soy sauce, on the other hand, is up only 185 times.

Because of the changes in eating habits since the war, per-capita consumption of soy sauce has marked time, while customers have become more and more particular about taste and flavor. The brewers, therefore, have endeavored to cover mounting costs by increasing efficiency and yield, and have successfully maintained a satisfactory level of quality. Consequently, the recent price increase was probably unavoidable, and it can be expected that further improvements in quality will be achieved.

While some experts believe that liberalization of soybean imports should result in lower soy sauce price, the brewers are noncommittal. It appears that for some time to come the most we can expect is no further upping of price.

Miso, a condiment without which the majority of Japanese would be most unhappy, has gone up ¥5 per 400 grams in the Tokyo area subsequent to the price hike in Nagano Prefecture. With this rise seen in the two major production areas, it is more than likely that the other prefectures will follow suit. The same troubles encountered by the soy sauce brewers harass the *miso* producers. High cost of materials (soybean) and labor has so cut down profit that subsequent to decontrol nearly forty percent of the operators went out of business. Low profit has resulted in decline of quality, and there is on sale a considerable quantity of *miso* that has not been aged properly.

On August 5 the bakers raised the price of bread by ¥5 per pound. This was after six years of uninterrupted stability. The main cause in this case is high cost of labor. Because of the nature of the business, bakers usually work nights, often without paying the extra wages stipulated by law for bigger operations. This has made it difficult for the small bakeries to recruit new labor, and the Bakers' Association of Tokyo is now seriously considering adoption of the minimum wage system.

In all three cases, the causes of the price increase are the same, while the aim purportedly is to give the consumer better quality. *Miso* and soy sauce are both faced with standstill of growth of demand, and to effect a breakthrough they must depend on better appeal to the consumer. Betterment of quality was impeded by low profit due to the inability to raise prices without incurring the wrath of the end-consumer. Now, however, the step has been taken in keeping with oiter utility rates and fares which also could not be easily increased. This pattern will doubtless apply sooner or later to sauces other than soy.

The producer's price for milk was increased in April last, and the consumer's price was increased by ¥1 per 180 cc in June (low grade milk excepted). The main reason for this price rise is the imbalance between supply and demand. As against the predicted demand, in ten years' time, of three to six times the present level, the average dairyfarmer possesses only two milch cows. Productivity is therefore extremely low, and the remuneration per household member is at about a fifth of the United States average. The incentive to produce milk is insufficient, so production lags.

In order to keep up with the growing demand, it is estimated that production must rise at the rate of at least 13 to 15 percent per annum. Yet, last year, only 6 percent increase was achieved, and since the bulk of the increment was diverted to milk products, the shortage of milk itself is bound to be felt. To make matters worse, there has been some slaughtering of milch cows because of the attractive prices offered for meat. Consequently, unlike in normal years, the probability is high this year that there will be no customary decline of the price of winter milk.

The Boom & Japanese Industry

THE Ikeda Government has announced to carry on all its economic programs with the rate of economic growth set at 9% a year. And discussions are getting hotter as to the possibility of such steady growth, the danger inherent in it and what not. Not a few commentators criticize the Government's optimism embodied in the 9% growth but not at all from the fear that the current business activity will soon slow down. All this clearly indicates that the possible continuation of the current boom is generally admitted.

The mining and manufacturing production index (1955 as 100) in July and August, 1960, stood at 226.3 (seasonally adjusted, at 229.2) and 224.8 (231.4), respectively, compared with the monthly average of not more than 179.9 in 1959. But index figures classified by industry reveal the wide differences in the rates of increase from the first half of 1959 to the like term of this year (see Table 1). It must be noted that the upcurve is usually less steep in those lines which have almost finished full-fledged progress, particularly in the past few years, but the classified figures tell us something about future prospects. For all this, optimism is warranted for not all the industries for which the production boost has been or will be rapid.

For such lines as heavy electric machinery and general machinery, business is flourishing because equipment investments are brisk in other industries. Outlook is not so bright for automobile and light machine makers though they now are enjoying an exceptional boom, for there is every fear that they will be involved in a cut-throat competition before long.

In the case of steel, non-ferrous metals and petroleum, the market won't be too firm, but sales will continue bulging. So the so-called "quantitative boom" will come to stay in these lines.

1. Production Index Increase from 1st Half of 1959 to 1st Half of 1960

Industry	Increase. %
Steel Ships	4.0
Provisions	4.6
Paper & Pulp	18.5
Chemical	20.6
Coal Products	21.8
Textile	22.9
Non-ferrous Metals	28.9
Iron & Steel	34.4
Oil Products	43.3
General Machinery	45.6
Electric Machinery	50.6
Transport Equipment	54.5

Source: Ministry of International Trade & Industry.

On the other hand, there are some "sun-set" industries. As for coal mining, though supply is rather tight, prospects are discouragingly bleak in a long perspective. In the case of natural fibres, production is increasing ahead of demand, so the market is glutted and erratic. Still worse, they have to compete with newly-rising man-made textiles.

In the chemical industry, conditions are rather mixed. Output is steadily growing for plastics, and prices are kept on a low level for fertilizers due to non-economic factors. As for caustic soda, makers are technically forced to produce more than necessary, and they are always suffering from over-production.

For good or worse, the impact of trade liberalization will come to the fore in 1961. Some quarters have come to entertain apprehension about the future of American economy. Thus, not a few bearish factors appear to be in the offing. But there are some stimulants, technical renovation in particular. New products are being developed and put on sale. Production costs are being cut off through newer processes, thereby creating new requirements. And this leads to new investments in production equipment.

Petroleum

Prices Off but Sales Up

The oil products market, which started an upcurve in the second half of 1958, remained firm up to May, 1960. It the following month, however, it began to turn downward (see Table 2). Seasonal weakness usually appears in summer, and the market soon softens as soon as inventories pile up, because tank capacity in this country is rather limited. These two factors exercised particularly big influence this summer.

2. Tokyo Wholesale Prices of Oil Products

(In ¥ per kl., ex store, after tax)

Fiscal	Yr.	Gasoline	Kerosene	Gas Oil	Fuel Oil A	Fuel Oil B	Fuel Oil C
1957	av.	16,487	19,522	14,783	12,820	11,708	10,672
1958	av.	12,142	15,928	13,069	11,139	10,144	9,300
1959	av.	14,258	16,497	14,989	12,181	10,300	9,081
1960	Apr.	14,733	17,350	15,650	12,600	10,500	9,000
	May	14,800	17,433	15,767	12,600	10,500	9,000
	June	14,667	17,200	15,667	12,600	10,433	9,000
	July	14,500	17,000	15,600	12,400	10,300	8,800
	Aug.	14,500	17,000	15,600	12,300	10,300	8,800

Source: Bank of Japan.

Demand is likely to pick up, on the other hand. Fuel oil has been sold increasingly: monthly business this year has been 33–48% more than a year ago (see Table 3). Such briskness of oil needs has come from the general business activity, especially the increased coal consumption for power generation caused by the low stream flow.

3. Fuel Oil Sales to Consumers

(In 1,000 kl.)

	1960	1959	Gain. %
January	1,805	1,359	32.8
February	1,910	1,353	42.2
March	2,112	1,570	34.5
April	1,995	1,375	45.1
May	1,961	1,390	41.1
June	1,965	1,411	39.3
July	2,204	1,483	48.6

Production, too, has been on the steady gain abreast with demand. At the end of June, stocks were equivalent to one month's output, or the normal level of inventory, for fuel oil, but to 1.3 months' refining for gasoline. In the case of fuel oil C, July-end inventory was equivalent to only 0.7 months' production.

In July, refineries were repaired as usual and production declined accordingly. For all this, month-end gasoline inventory turned out above the normal level. The price fall, therefore, has been steeper for gasoline than for other products. The kerosene market, too, has been softening with stocks equivalent to 1.3 months' output. As for gas oil, supply is chronically short (stocks equaling 0.8 months' production), but prices are falling due to the strong challenge from propane gas.

The fuel oil situation deserves special mention, after all. In spite of the short supply, quotations are turning downward. Reasons are: 1) hammering down by big consumers, particularly electric power companies, and 2)

the increasing imports of cheap fuel oil from foreign sources. On the ground that the crude oil market is weakening abroad in contrast to the high prices of domestic fuel oil, power companies are asking for price reduction more strongly than ever. Not only that, they are roportedly planning to burn crude oil without cracking it, instead of fuel oil, and this certainly will deal a fatal blow to oil refiners.

There are still other factors to bring pressure upon the oil market, namely Idemitsu Kosan's purchases of cheap crude oil from the Soviet Union, the International Oil Cartel's reduction of Middle East crude oil prices, and Arabia Oil's delivery at home of crude oil.

1960 Requirements to Rise 32%

Petroleum is taking the lead in the so-called energy revolution from solid to liquid fuels, and requirements are growing annually at a high rate. According to the Economic Council's energy committee, oil needs in fiscal 1970 will amount to 89,300,000 kl., or 4.3 times 1959's. Especially remarkable will be the increase of fuel oil requirements. It may roughly be estimated that the consumption growth will be 2 times in five years and 4 to 5 times in a decade.

As for the current fiscal year, the Japan Petroleum Federation estimates that requirements will reach 13,990,000 kl. (of which, exports at 1,420,000 kl.) in the first half and 16,340,000 kl. (outgoings at 1,450,000 kl.) in the second half, or a yearly total of 30,330,000 kl. (overseas sales at 2,880,000 kl.) as shown in Table 4. The figures shows a marked gain of 32% from a year ago compared with the original estimate of 19% (calculated in February, this year, by the same organization), indicative of the briskness of oil consumption. All this is ascribed, for the most part, to the frantic equipment expansion carried out by all the refiners in anticipation of the trade liberalization.

4. Oil Products Requirements

(In 1,000 kl.)

	Fiscal 1957	Fiscal 1958	Fiscal 1959	Fiscal 1960 (est.)
Gasoline	3,595	4,414	5,051	5,976
Material for Petrochemistry	35	292	689	861
Jet Fuel	139	168	267	352
Kerosene	1,049	1,257	1,673	2,111
Gas Oil	1,000	1,378	1,744	2,298
Fuel Oil	9,294	10,055	13,509	18,730
Total	15,112	17,575	22,933	30,328

Source: Japan Petroleum Federation (1960 estimates announced in August. 1960).

The present capacity of treating crude oil is rated at 568,000 barrels a day, and it will increase by about 40% if and when plants now under construction are completed. It will be not until 1961, however, that these plants will be put into full operation. Though the existing plants are operating at 90% capacity, no fear exists that the market will be over-supplied.

Supply is rather tight for gas and fuel oils, especially for the latter. In the second half of fiscal 1960, foreign funds are budgeted for importing 2,950,000 kl. of fuel oil, or the biggest amount ever purchased in a semi-annual term. As for gasoline, however, over-supply will remain unrectified because inventories still are well over the normal level.

Quantitative Boom to Remain Unabated

With these circumstances in the background, what will be the future course of oil quotations? The oil market in Japan is featured by the cheapness of gasoline contrasted to the dearness of fuel oil (compared with the international standard). This discrepancy in the price structure must needs be rectified in order to cope with the post-liberalization conditions.

The high prices of fuel oil result from two factors, i.e. 1) the overwhelming importance of fuel oil in local requirements, and 2) the consideration from the national policy for coal mining. The latter factor put aside, it would be to no purpose for oil refiners to reduce fuel oil prices if they were not allowed to raise gasoline prices. In fact, however, it would be highly difficult to up gasoline prices because the market is glutted and because plans are under way to increase the gasoline tax.

Since August, this year, the producer's prices have been cut for Middle East crude oil (by ¥68–360 per kl.). This is of course an encouragement for Japanese refiners but it will turn out a brake against the upcurve of oil prices. In all likelihood, it will be capitalized for cutting off fuel prices as well as for forestalling the desired upping of gasoline prices.

To make matters worse, electric power companies have announced to adopt a new tactic of burning crude oil, instead of fuel oil, pressing for cheaper fuel oil. This is indeed no urgent issue but is likely to bring about powerful pressure upon the oil market. In the forthcoming year, sales competition will get hotter than ever. Arabia Oil will commence delivering at home its crude oil, and an increasing amount of cheap oil will be imported from the Soviet Union.

To summarize, oil requirements will continue growing at a rapid tempo, but the weak tendency will become all the more accentuated due to the worldwide oversupply of crude oil and to the liberalization of imports. Profit per unit quantity of oil products will shrink, but this will be offset fully by the increase of sales turnover.

Coal

Supply Getting Less Tight

Coal requirements averaged 49,050,000 mt. on an annual basis in the first half of fiscal 1959 and 51,080,000 mt. in the second half, or 50,070,000 mt. in the whole year. In fiscal 1960, the annual base average stood at 52,480,000 mt. from April through June and at 52,280,000 mt. in July. The steady increase has thus been witnessed.

The upcurve has been steeper for coal production. Adjusted for the output shrinkage caused by labor strikes and disasters, the annual base average came at 51,020,000 mt. in the first half of fiscal 1959. Though it dropped to 49,460,000 mt. (50,240,000 mt. in the whole year) in the second half of that year, it turned upward to 52,410,000 mt. in April and to 56,000,000 mt. in July, 1960.

Responsible for such production boost have been the greater shipments from minor collieries, which usually scale down in bad times and rapidly expand their operations in time of prosperity. These small interests have actually been boosting their output since last fall, taking advantage of ever-brisker requirements.

Another factor has been the lifting of the restriction upon coal production since the turn of fiscal 1960. From May, 1959, through March, 1960, the production of ordinary coal was pegged at 48,000,000 mt. a year based upon the Minister of International Trade & Industry's notice, but this limit was removed in April, 1960, given stimulus to minor coal interests.

As a result, coal minors' stocks began to increase, though moderately, since the peak of 2,200,000 mt. was touched in May, 1960. In August, the figure declined

5. Domestic Coal Consumption by Big Consumers

(In 1,000 mt.)

Consumers	Fiscal 1957	Fiscal 1958	Fiscal 1959	1960 Jan.	Feb.	Mar.	Apr.	May	June	July
Power Companies	9,133	9,337	13,381	1,441	1,700	1,658	1,204	902	1,080	1,164
	(686)	(204)	(4,044)	(345)	(1,152)	(894)	(706)	(341)	(113)	(354)
National Railways	5,820	5,482	5,514	528	506	510	450	448	419	421
	(23)	(△338)	(32)	(14)	(44)	(27)	(7)	(4)	(7)	(16)
Iron & Steel Makers	4,936	4,421	5,357	491	458	472	441	446	414	431
	(△7)	(△515)	(936)	(76)	(53)	(54)	(48)	(36)	(9)	(△3)
Gas Companies	3,479	3,202	3,967	402	385	385	374	331	326	306
	(213)	(△277)	(765)	(46)	(55)	(42)	(60)	(22)	(40)	(7)
Total (including others)	40,304	37,526	46,133	4,480	4,681	4,715	4,020	3,651	3,685	3,739
	(1,191)	(△2,778)	(8,587)	(684)	(1,513)	(1,267)	(989)	(521)	(187)	(445)

Note: Figures in brackets denote increases or decreases (△) from a year ago.
Source: The *Sekitan Tokei Geppo (Coal Statistical Monthly)*.

below the 2,000,000-mt. mark due to the scaling-down of coal shipments, and it further slipped to 2,160,000 mt. in September.

Both production and demand have been on the up-curve, with coal miners' inventory standing at 2,200,000–2,300,000 mt. This is the general picture for the coal supply situation. Supply has been getting less tight and will increase, though slightly, due to the final solution of the Miike Coal Mine strike.

Consumption for Steel Likely to Shrink

It is usual that steel makers and National Railways use less coal whenever supply-demand relations get dislocated, and that electric power companies take the lead whenever coal requirements pick up. In fiscal 1958, for instance, consumption of domestic coal suffered a decrease of 2,780,000 mt. from a year ago, of which as much as 1,130,000 mt. was accounted for by steel makers, National Railways and gas companies. In the following fiscal year, when consumption by big consumers summed up to 8,590,000 mt., electric power companies took as much as 4,040,000 mt. (see Table 5). In the recent increase of coal needs, these interests have again been taking a big share.

In July, 1960, blast furnace pig iron output totalled 960,000 mt., or the largest monthly figure on record (up 28% from the like month of 1959), but domestic coal consumption decreased, though moderately. Reasons were: 1) the increase of the coke ratio (coke requirements per mt. of pig iron), 2) the steady increase of foreign coal to be mixed with domestic coal to nearly the 50–50 ratio, and 3) the stepped-up conversion from coal to fuel oil.

According to the Ministry of International Trade & Industry, pig iron production in the second half of fiscal 1960 is scheduled at 6,230,000 mt., or up 22% from 5,070,000 mt. a year ago. Output in July showed a marked gain of 28%. This notwithstanding, the shrinkage of coal consumption for steel making will become all the more accentuated in the second half of the current fiscal year, further stimulating the general weak tendency of coal requirements.

Power Companies Consuming Less Coal

Electric power companies' coal consumption in the second half of fiscal 1960 was originally estimated at 9,175,900 mt. (see Table 6), but the figure has later been reduced to 8,850,000 mt. on the ground that consumption in the first half exceeded the scheduled target.

6. 9 Power Companies' Fuel Consumption

	Coal (1,000 mt.)		Fuel Oil (1,000 kl.)	
	Fiscal 1959	Fiscal 1960 (sched.)	Fiscal 1959	Fiscal 1960 (sched.)
Sept.	1,039.0	1,183.6	109.8	183.5
Oct.	989.6	1,322.7	132.4	192.4
Nov.	1,273.7	1,472.8	150.7	227.3
Dec.	1,546.6	1,702.3	184.3	239.1
Jan.	1,407.3	1,625.8	173.1	231.3
Feb.	1,653.1	1,357.8	186.2	228.1
Mar.	1,623.1	1,476.5	232.0	225.1
Total (2nd/half)	8,493.4	9,175.9	1,058.7	1,343.3

The fluctations of coal supply and demand have been much dependent upon the coal consumption by electric power companies, which in turn usually increases according to the low or high stream flow. In case the stream flow is low, more electricity have to be generated by thermal plants, so coal consumption increases markedly, thereby to scale up the general level of coal consumption. The reverse is the case in the wet year.

Thus, the coal mining industry is vulnerable to weather conditions, and a fair amount of instability is inevitably involved in it. To cope with this state of things, coal interests make it a rule to enter into an agreement with power companies concerning the amount of annual delivery at the very outset of each year. This is because fuel oil now is being used for many purposes in various industries and power companies consume fuel oil, instead of coal, in the dry season. In this manner, coal consumption in fiscal 1960 was officially set at 15,490,000 mt. In the first half, 6,640,000 mt., or more than the scheduled 6,330,000 mt., was burned for power generation, so the share for the second half has been cut off from 9,170,000 to 8,850,000 mt.

7. Supply, Demand & Price of Local Coal

	Delivery (1,000 tons)	Inventory: Dealers	Inventory: Factories	Coal Price (Kyushu; yen/ton)
1958—August	3,797	4,087	6,019	6,291
September	4,299	4,302	6,447	6,281
October	4,436	4,712	6,735	6,231
November	4,174	4,675	6,633	6,231
December	4,425	4,555	6,506	6,231
1959—January	4,178	4,595	6,362	6,231
February	4,174	4,592	6,882	6,231
March	3,313	4,514	6,489	6,231
April	3,681	4,775	6,372	5,997
May	3,998	5,260	6,467	5,997
June	4,033	5,694	6,244	5,997
July	4,006	5,820	6,398	5,997
August	3,675	5,656	6,412	5,997
September	4,080	5,549	6,295	5,997
October	4,160	5,232	6,419	5,997
November	3,818	4,455	6,320	5,997
December	4,143	3,691	5,906	5,997
1960—January	3,916	3,276	5,286	6,031
February	4,032	2,557	4,831	6,031
March	4,345	2,203	4,604	5,997
April	4,199	2,239	4,628	5,997
May	4,148	2,200	5,044	5,997
June	4,096	2,293	5,180	5,997
July	4,257	2,375	5,407	5,867
August	3,951	2,313	5,204	5,867
September*	4,299	2,167		

Source: Ministry of International Trade & Industry for demand and supply; Bank of Japan for coal prices.
Note: * denotes provisionary figures.

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The Japan Electric Power industry Federation's coal consumption program is more rigid for coal mining interests: consumption in the second half has been reduced from 8,750,000 to 8,520,000 mt. for the same reasons. According to this program, consumption in the second half is expected to decrease for the very reason that consumption increased in the first half, and the possible gain in annual consumption is scheduled at not more than 30,000 mt. (or only 5,000 mt. a month on the average).

Long-term Stagnancy Inevitable

After all, the increase of coal requirements certainly will inevitably taper off in the future. But it does not follow that the market will get over-supplied.

Normal stocks are generally estimated at 8,500,000 mt. (3,000,000 mt. for coal interests, 3,000,000 mt. for power companies, and 2,250,000 mt. for big manufactories). In mid-September, coal interests held in stock 2,160,000 mt. (compared with 5,230,000 mt. a year ago), power companies 3,140,000 mt., and big manufactories 2,300,000 mt. (in this case, at the end of August), or a total of 7,600,000 mt.

Thus, it may be concluded that the market won't be glutted but become somewhat less tight, if the upcurve of consumption increase slows down. This is the immediate outlook, particularly in the western part of Japan where July-end inventory declined to less than a quarter of the level a year ago.

Why will coal consumption be top-heavy in spite of the 22% increase of blast furnace pig iron production and of the 46% gain of power generation in the second half of fiscal 1960? Needless to mention, the main cause is the ever-brisker consumption of foreign coal and fuel oil.

In fiscal 1959, domestic coal consumption increased by not more than 10%. In contrast, consumption was up 22% for foreign coal and up 35% for fuel oil. In the same period, power companies' consumption rose by 43% for coal and by 50% for fuel oil.

The conversion from coal to fuel oil has been stepped up in the past few years. In the machinery industry where this process took place earlier than in any other line, fuel oil exceeded coal in the fuel consumption as early as in fiscal 1958. In the non-ferrous metal industry, the same turned out the case in the second half of 1959, and the provisions industry will soon follow suit in this respect. These industries are not at all big coal consumers, their needs being negligible in the total consumption.

It will be in the future that coal consuming industries, such chemical, steel and power, will complete their conversion from coal to fuel oil. In the chemical industry, the conversion from coal gas to oil gas has made marked progress. In steel works, coal is about to be replaced by fuel oil. In the power industry, about one half of coal consumption has already been substituted by fuel oil.

The Economic Council's energy committee estimates that energy requirements in fiscal 1960 will be 55,000,000 mt. (47,890,000 mt. a year ago) for domestic coal compared with 43,440,000 mt. (5,680,000 mt.) for foreign coal and 198,980,000 kl. (27,520,000 kl.) for oil. Thus, stagnancy will be inevitable for the coal mining industry on a long-term basis.

Iron & Steel

Market Making a Steady Rally

Two or three months ago, a section of interested circles entertained serious apprehension about the future course of iron and steel quotations, but such pessimism has rapidly been disappearing as the market has started a steady rally due to the introduction in July, 1960, of a new "open sale price" system, the briskness of domestic requirements, and the unexpectedly big increase of overseas sales.

Moreover, long-term outlook is brighter than ever. It was estimated last fall that crude steel production in fiscal 1970 would reach 38,000,000 mt. But this estimate has recently been raised to 48,000,000 mt., giving further stimulus to the heated competition among leading makers for finding out new promising plant sites. After all, the industry has begun to pick up.

From last autumn through June, this year, the market weakened continuously contrary to the rosy expectation that the downturn would be a temporary one. For instance, 19 mm bar steel was quoted at ¥40,250 per mt. in September, 1959, but the price dropped to ¥38,800 at the end of last year, ¥37,000 in April and to ¥33,400 in June, this year. As for major steel products (bars, shapes, plates, sheets, wire rods, etc.), market quotations turned out ¥2,000–6,000 lower than the "open sale prices".

With the adoption of new "open sale prices", however, the market commenced firming up in July. Though the upturn stopped in mid-August, the market has since been following a crab-like course.

What was the supply situation in the background? Production climbed up month after month. Semi-annual output of steel products (excluding re-rolled steel) rose from 6,477,000 mt. in the second half of last year to

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7,293,000 mt. in the January-June 1960 period, or an increase of 12.6%. In the same period, rolled steel delivery went up from 6,230,000 to 7,072,000 mt., or a bigger gain of 13.5%. In other words, delivery increased more markedly than production due mainly to brisk overseas shipments.

For all this, the market weakened, as mentioned, above, in this period because production grew in such rapid tempo that supply-demand relations got extremely dislocated. After April, this year, the production tempo calmed off appreciably though the upcurve remained intact: the quarterly increase slipped from 11% and 10.4%, respectively, in the July-September and October-December periods, 1959, to 5.1% and 4.2%, respectively, in the first and second quarters of this year.

To summarize, from the latter half of last year through the first months of 1960 steel production curved up steeply far ahead of demand, so stocks piled up considerably in the hands of makers and dealers. Thus, production was curtailed autonomously for some varieties with the result that the market got relatively stabilized after April, 1960.

In addition to such balanced stabilization of supply-demand relations, new "open sale prices" were finally fixed at levels ¥2,000–4,000 lower toward the end of July. Consumers, who had been holding off in anticipation of a further price fall, lost no time in making new purchases. At this juncture, demand started a seasonal pickup in autumn. All this accounts for the recent steel rally.

Brisk Requirements Support Prices

Market quotations now stand almost on the same level with the "open sale prices" (excluding commission) as shown in Table 8. It must be noted here that the "open sale prices" include commission (this is of course not the case with market prices). Take for instance bar steel: the bare price (¥37,000 minus 4.5% commission or ¥1,660) comes at ¥35,340 compared with the market quotation of ¥35,500 (commission not included).

8. "Open Sale Prices" and Market Quotations

(In ¥1,000 per mt. as of Sept. 15, 1960)

	"Open Sale Price" (lower limit)	Market Quotation
19 mm Bar	37	35.5
Medium Shape (6×60 mm)	39	38
12 mm Plate	45	49
1.6 mm Sheet, Hot-Rolled	52	56
Cold-Rolled	58	56.5

If quality and other factors are taken into account, it is natural that the "open sale prices" are somewhat higher than market quotations. At present, both prices stand almost on the same level, so it may well be said that market quotations are marking time. What will be their future course?

According to the Ministry of International Trade & Industry's estimates (announced on August 25, 1960), rolled steel requirements in the second half of fiscal 1960 will be up 3.6% from six months ago (domestic needs up 3.2% and exports up 7.7%) as shown in Table 9.

9. Fiscal 1960 Rolled Steel Requirements

(In 1,000 mt.)

	1st Half	2nd Half	Total
Rolled Steel (A)	7,050	7,150	14,200
Re-rolled Steel (B)	360	340	700
Subtotal (A+B)	7,410	7,490	14,900
Imports	20	30	50
Total Supply	7,430	7,520	14,950
Exports	650	700	1,350
Domestic Delivery	6,570	6,780	13,350
Total Demand	7,220	7,480	14,700
Stock at Start of Term	900	1,100	—
Stock at End of Term	1,110	1,150	—

Source: Ministry of International Trade & Industry.

Yawata Iron & Steel Co. has also announced its demand forecast: requirements in the second half of fiscal 1960 are estimated at 6,913,100 mt., or an increase of 6.2% from 6,509,900 mt. in the first half. Estimated rates of consumption increase classified by industry are 13.3% for railway rolling stock, 6.2% for shipbuilding, 13.9% for auto making, and 5.2% for construction.

As for exports, the Japan Iron-Steel Federation set the 1960 goal at 1,361,000 mt. In fact, April-July shipments amounted to as much as 508,747 mt., so the annual target has been upped to 1,570,000 mt. This is ascribed, for the most part, to unexpectedly active sales to Southeast Asia, Australia, and Africa contrasted to stagnant shipments to the United States which bought briskly last year.

After all, demand is getting brisker than ever at home and abroad, supporting market prices.

Little Fluctuation Expected in 2nd Half

Ministry of International Trade & Industry quarters estimate that output in the second half will increase by about 80,000 mt. from the first half. But it is highly problematical if the possible production boost will be so moderate. Leading makers still have an ardent passion for equipment expansion, and they have not a few new plants ready for operation in the second half. It is little wonder that they should like to boost their output as they have invested much money in new equipment, for they naturally will try to cover the price cut by raising the rate of operation and thereby to earn more profit.

Such being the circumstances, there is every sign of over-supply, but there is no possibility of tightness, to say nothing of shortage.

It is also to be noted that requirements in the first half included some inventory buying as well as real consumption. In the second half, there will be no such stockpiling, and the possible increase of consumption in related industries will be the only addition to normal requirements. Not only that, wholesalers always have in stock more than 300,000 mt., or nearly 80% of their monthly business.

Thus, should production continue growing too rapidly, a good deal of pressure would again be brought about upon the market. In fact, production certainly will increase in rapid tempo abreast with demand, so the market will register little fluctuation in the second half.

Almost the same will be the case with business results in the semi-annual term ending with March, 1961. The possible decrease of profit coming from the price reduction of July will be offset fully by the increased sales. It must be noted, however, that differences among steel makers are apparently getting wider and wider: big interests monopolizing some special products and making active exports will be able to earn more revenues and more profits while on the other hand minor makers will see their business stagnate or shrink.

Special Steel Market Firming Up

After the second quarter of fiscal 1959, makers tried hard to stabilize special steel prices by keeping their selling prices as they stood. Stimulated by the afore-mentioned downturn of ordinary steel quotations, however, the market began to soften, and the price fall got all the more conspicuous with the turn of the current fiscal year. In the July-August season, quotations sagged to the extent that the producer prices could hardly function as stabilizers and that the price system itself had to be overhauled fundamentally.

In August, prices were practically cut off for all varieties, and this ushered in a strong tone on the market. Reasons were two-fold: 1) the market had been recover-

ing with the announcement of the new "open sale prices" for ordinary steel products, and 2) the price slash afforded such relief to consumers that they stopped holding off purchases.

Formerly, makers announced their selling prices in name but in fact they usually sold their products at prices over 5% lower. In recent months, however, they have been selling almost all of their products at the announced prices. In this manner, the special steel market is marking time with every sign of strengthening.

Since the beginning of 1959, special steel output has been on the steady gain. In that year, the monthly average stood at 69,000 mt., but the figure climbed up to 94,000 mt. from June through September, 1960, registering a big advance of nearly 40%. Delivery also marked up a similar upcurve, but makers' stocks piled up appreciably (see Table 10).

10. Special Steel Production, Delivery & Inventory

(In 1,000 mt.)

	Production	Deliver	Makers' Inventory
1959 average	68.9	69.0	32.4
1960 January	87.8	87.2	32.7
February	96.4	93.2	35.7
March	98.5	98.3	37.2
April	93.7	92.0	38.3
May	93.2	92.7	39.3
June	90.7	91.3	39.2
July	94.7	91.5	42.5

Source: Ministry of International Trade & Industry

11. Special Steel Quotations

(In ¥1,000 per mt.)

	High-speed Steel (40—100mm)	Stainless Steel 18—3 (3mm×1m ×2m)	Chrome-Molybdenum Steel (40—100mm)	Carbon Tool Steel (40—100mm)
1960 Jan.—Mar.	1,125	420	89	96
April	,,	390	85	,,
May—July	,,	,,	,,	,,
August	1,050	360	80	89
September	,,	,,	,,	,,

Source: Ministry of International Trade & Industry

It is estimated that at present makers hold inventories equivalent to 0.5 months' production, and wholesalers, stocks equaling 2 months' business. Both of them have had relatively small stocks because they have been eperating in smaller scale with less capital than ordinary steel makers and dealers. They cannot afford to hold in stock a big amount of goods, so they often resort to dumping, ushering in a weakening tone on the market.

12. Movements of Iron-Steel Quotations

	Bars (19 m/m)		Hot-rolled thin sheets (#16)		Thick Plates (12 m/m)	
	Official Price	Market Quotations	Official Price	Market Quotations	Official Price	Market Quotations
1959 Jan.	40,000	40,000	56,000	55,500	48,000	48,500
Feb.	,,	38,500	,,	52,000	,,	47,250
Mar.	,,	40,000	,,	53,000	,,	54,000
Apr.	,,	40,750	,,	56,500	,,	52,750
May	42,000	40,250	58,000	55,500	52,000	,,
June	,,	40,000	,,	55,750	,,	54,000
July	,,	39,750	,,	54,000	,,	53,250
Aug.	,,	40,250	,,	55,500	,,	53,500
Sept.	,,	,,	,,	56,500	,,	53,250
Oct.	,,	,,	,,	58,000	,,	52,000
Nov.	,,	39,400	,,	57,250	,,	50,500
Dec.	,,	38,800	,,	56,000	,,	49,000
1960 Jan.	,,	38,000	,,	57,750	,,	47,750
Feb.	,,	37,400	,,	55,100	,,	49,250
Mar.	,,	,,	,,	54,750	,,	47,000
Apr.	,,	37,000	,,	55,000	,,	46,750
May	,,	36,500	,,	54,750	,,	46,250
June	,,	33,400	,,	53,500	,,	44,000
July	40,000	33,750	56,000	52,250	48,000	44,500
Aug.	,,	34,750	,,	55,750	,,	45,750
Sept.	,,	35,050	,,	56,000	,,	45,750

Source: Tokyo Iron & Steel Wholesalers Association

Production adjustment, therefore, becomes all the more important in this field. Since the end of 1958, it has been carried out in form of administrative guidance by the Ministry of International Trade & Industry.

In the past year or two, special steel companies have been exerting utmost efforts for equipment rationalization, and they now are strenuously striving for production boost, so much so indeed that they seldom observe the production limits fixed for each quarter. In the April-June period, for instance, the production quota was set at 66,000 mt. a month, but actual output exceeded it by 8%—one of the most important factors responsible for the weak tendency.

Prospects Depend Upon Rationalization

From October through December, last year, the production quota was scheduled at 97,000 mt. a month (of which, 3,000 mt. for exports) compared with 87,200 mt. for the preceding quarter. At this rate, it is estimated, yearly output will reach 1,200,000 mt.

The question is: Is this amount superfluous or not?

The Ministry of International Trade & Industry estimates that requirements in 1960 will amount to 940,000 mt. Assuming that the possible fluctuation is up or off 5%, the possible needs would be 1,050,000 mt. It means that the excess of output over demand would be not more than 150,000 mt.

13. Inventory Movements of Iron & Steel

(In 1,000 tons)

	Hot-rolled Steel Products (excl. regenerated items)	Steel Product Inventory		
		Total	Producers' Inventory	Sellers' Inventory
1957: monthly average	740			
1958 ditto	730			
1959 ditto	965			
1959 July	993	657	419	238
August	1,025	683	438	246
September	1,059	728	482	246
October	1,145	767	514	254
Nobember	1,130	817	528	290
December	1,123	807	494	312
1960 January	1,124	882	553	329
February	1,188	874	561	313
March	1,259	900	569	332
April	1,230	942	604	338
May	1,248	934	610	344
June	1,244	941	598	343
July	1,245	967	623	344
August	1,305	—	—	—

Source: Ministry of International Trade & Industry

MITI quarters usually underestimate requirements. In the automobile and machinery industries, on the other hand, production in the second half will be up 10% and 8%, respectively, from the first half. Such being the circumstances, it cannot be said that the possible production this year will be overabundant.

In case the production quota is observed in the third quarter (and the same level is retained in the fourth quarter), then supply-demand relations won't get disturbed, and the market will mark time in all likelihood. As has often been the case, however, there is some possibility that production will far eclipse the fixed limit. In such a case, a weak trend will again appear on the market.

In conclusion, special steel prices will get stabilized at relatively low levels, and sales will increase in quantity. Under such conditions, profits will be much greater for those makers who have stepped up their rationalization programs, but this won't necessarily be the case with other interests operating less rationalized equipment.

Views & Topics

Fear of Inflation Justifiable?

By Shuzo Watano

INFLATION, a matter that had been forgotten for a while, has again become a topic since a month or so ago. Whereas wholesale prices had been on a slight downtrend since the start of the year, there occurred an upward shift in the undercurrent in August, while in addition the retail price index, on a slight but steady uptrend since summer, 1959, indicated a strong tendency toward a sharp climb. The situation regarding the upturn of retail prices will not be explained in detail here since the matter is discussed more fully elsewhere in this issue. However, the firmness indicated by both wholesale and retail prices, reflecting the positive economic policies of the Ikeda Government, has given rise in some quarters to a fear of inflation.

Causes of Retail Price Rise

Because the policies of the Ikeda Government revolve around a high projected rate of economic growth, it is feared by some people that forced-draft measures may result in a spiraling of prices. Among industrialists, there prevails the thinking that positive business promotion could later bring about a reactionary slump. But to the general public, the main worry is that, before such a reaction sets in, over-heating of business activity could boost prices so high that the cost of living rises to an unbearable level. Because retail prices in some sectors rose as if to bear out this apprehension, the matter took on a serious aspect. It is, nevertheless, completely unreasonable to contend, simply because fear is expressed in certain limited quarters, that inflation is around the corner. Unless there is a notable uptrend in wholesale prices, there is not real danger of inflation even though some rise in retail prices is experienced. Such an explanation, however, would not suffice to allay the fears harbored by the ordinary consumer.

Consequently, it becomes necessary to delve deeper into the causes of the recent rise of retail prices; and the first step toward clarification of the current situation should, therefore, be an analysis of the causes of the trouble.

Four principal causes can be cited. They are:

1) The seasonal factors contributing to price rise, particularly those manifesting themselves more strongly than usual this year. The high prices quoted for fresh vegetables are typical, the reason being drought damage.

2) Shifts in the pattern of consumption. The high prices prevailing for meat and dairy products are definite indication of change in consumer buying habits. The steady rise of meat prices, particularly of pork, since autumn last year is due not so much to decrease of supply as to increase of needs. This is borne out by the fact that the supply, as compared to the preceding year, did not decline appreciably, while the price rise was completely out of proportion to this diminution of supply.

3) Upward revision of controlled utility charges. These are such things as the upping of gas and electricity rates, and the increase of subway fare. The reason for such upward revision was, in the main, the rise of the cost of construction which made operation difficult at rates based on cheaper existing facilities.

4) Higher labor cost due to manpower shortage in certain limited sectors. Manpower shortage has, during the past year, caused considerable increase of labor cost, particularly in the service trades. This has resulted in higher charges for the services proferred by barber and beauty shops, laundry establishments and others.

Keeping in mind the abovementioned causes of the recent retail prices rise, an attempt will be made to peer into the future. The seasonal factors contributing to the surge need not be considered. So long as the reasons are known to be the vagaries of the weather, the higher rise than in 1959 indicates nothing extraordinary. The price of fresh vegetables is already on the downtrend with the coming of autumn.

Permitting nature to take its course will not apply in the same way to the price climb attributable to changes in consumer habits. Since there are such things as the rush for the "Dakkochan" doll, differentiation must be made between lasting demands and fads which die away as suddenly as they appeared. In the case of real and lasting demands, shortages and high prices cannot be easily remedied without appropriate action on the part of the Government. Pork is a good example. It is a wellknown fact that the supply of pork fluctuates regularly in three-year cycles. On the other hand, with beef the requirements have tended to go up steadily with the supply showing signs of faltering. In view of this situation, steps should be taken to import meat, and this action should suffice to keep prices at a certain reasonable level.

Where change of consumer habits results in less buying of item A and more buying of item B, then the retail price index does not show much change since there is a natural averaging out if the supply is adequate.

In any event, the price rises resulting from change of consumer buying habits are controllable even though in some cases the necessary action may be somewhat troublesome. Consequently, consumer buying habits can be disregarded as a cause of inflation.

Upward revision of transportation and utility charges differs basically from the factors explained above. For one thing, once there is an increase in the charges, it is virtually impossible to effect any reduction. In this sense, these upward revisions of fares and charges tend to become a positive cause of a higher overall price level. Nevertheless, the necessity for increase arises from either

high prices elsewhere (e.g. construction costs) or disparity with other prices (i.e. disproportionately low official "ceilings"). Consequently, upward revision in this case is nothing other than *ex post facto* correction, and the burden must be shared either by keeping down other prices or by drawing upon the profits of other enterprises. Such shifting of the burden should not cause excessive trouble or hardship; while it goes without saying that the smaller such upward revisions of utility rates the better, and that unnecessary increases must be prevented at all costs.

Manpower Shortage Needs Watching

It has been seen that the first three factors contributing to the recent rise of retail prices are not essentially dangerous. The problem then is posed by the fourth factor, the shortage of manpower. For there is reasonable suspicion that the seasonal factors alone were not responsible for the high price of vegetables. As everyone knows, vegetable raising involves such work as watering, fertilizing, and pesticide spraying, which entails a great deal of labor; and availability of the needed labor affects both quality and quantity of crop as well as the price. Even when the production areas are distant from the cities, the high prices fetched by suburban produce immediately affect the prices of produce coming in by rail or truck.

According to the Ministry of Agriculture and Forestry, the high price of *miso* (fermented soybean paste) and soy sauce is also due to high labor cost, and this being the case it will be difficult to control prices through official action.

If the high prices of vegetables as well as *miso* and soy sauce are attributable to high labor cost, then there is no wonder at all at the high fees now charged by the service trades such as laundries, barbershops and hairdressers, as well as carpenters, plasterers, riggers and other skilled craftsmen. Viewed in this way, the effects of the imbalances in the manpower supply and demand appear to be much greater than generally noticed.

It must be noted here that the manpower shortage is by no means nationwide. The tightness is felt only in the industrial centers. Consequently, when one argues that the manpower shortage is perhaps the major cause of the recent price rise dissenting voices are sure to be heard.

However, since flow of manpower from one place to another is not easily achieved even within such narrow confines as Japan, the shortage of labor in certain sectors of the industrial areas is an undeniable fact.

It is certainly true that there exists a surplus of manpower in the rural areas. But apart from the youngsters newly graduating from school it is difficult to induce a movement into the crowded city areas, particularly since there still remains a serious shortage of housing facilities. Similarly, it is no easy matter to transfer the manpower released by the coal industry. Should a strong demand for labor continue for some time in the urban areas, the impediments to movement will doubtless be overcome gradually. But this will take time. Consequently, since there is little likelihood that the economic growth rate will begin to fall off in the near future, the rise of wages in the industrial centers continues to prevail as a strong trend.

This tendency, however, is expected to affect wages in the smaller and marginal enterprises, and part time pay rather than the wages paid by the bigger operations. Although the big businesses are finding it increasingly difficult to recruit newly graduating youngsters and technical personnel, the situation is as yet far from untenable because their terms and conditions of employment are incomparably better than those offered by the smaller businesses and the craft professions. It is, therefore, in these last-named sectors that the wage level rise will most likely be seen; and this will reverse the past tendency of the gap to widen between the wages paid by big enterprise and the smaller operations. Such elimination of the so-called dual wage structure is not only welcome, but it is one of the announced objectives of the Ikeda Government.

We have made it clear that the circumstances notwithstanding the shortage of manpower in the urban areas is a definite cause of the rise of retail prices. Such being the case, there is little likelihood of a decline; for once wages rise it is virtually impossible to effect any reduction. In other words, the retail price is tending to become more rigid in trend.

Stiffening of Prices in the U.S. and Europe

It would, however, be unwise to conclude that such stiffening of retail prices indicates an inflationary trend. Before a steady rise of retail prices can be related to inflation there are several stages that must first be surmounted.

In this connection, the situation in the United States and Europe is of particular interest. As everyone knows, the stiffening of prices in the United States is considered by many as a warning signal of the initial phase of inflation. The subjoined table gives the price trends over the past four years.

Comparison of Price Index Figures

(July 1957=100)

	July 1958	July 1959	July 1960
United States			
Wholesale	100.8	101.1	101.3
Retail	102.6	103.4	104.8
United Kingdom			
Wholesale	100.8	100.9	102.5
Retail	101.8	102.3	104.2
West Germany			
Wholesale	100.8	100.0	101.6
Retail	101.8	102.7	103.6
Living Cost	103.4	104.3	106.9
Japan			
Wholesale	93.2	94.3	96.2
Retail	98.1	96.4	99.5
Consumer (all-city)	98.3	99.1	103.4

It will be seen from the above figures that in the United States, United Kingdom and West Germany retail and consumer prices have been on a steady rise, although the rate of climb is extremely low; and that the trend bears no relation to the business cycle. In Japan, however, the retail price index for July 1958 is 1.9 point lower than a year before, directly reflecting the business recession. This is quite a different situation from that obtaining in the United States.

In the United States, United Kingdom and West Ger-

many during the past four years the hourly wage level has gone up at the rate of at least 10 percent per annum, and this has been the cause of the steady rise of prices. It will be seen, however, that despite the steady uptrend indicated by retail prices, the course followed by wholesale prices has not necessarily been the same. In the case of West Germany there was in 1959 a softening of wholesale prices, while in the United States and the United Kingdom the rate of climb was negligible.

The cries of alarm at this slow but steady rise of prices ("creeping inflation"), nevertheless, must be considered as warnings against future possibilities; for it can be said that the current trend of both wholesale and retail prices in themselves does not constitute any real danger signal.

Needless to say, any long continuing uptrend of retail and consumer prices will, sooner or later, result in a rise of wholesale prices. However, if the rise remains small, it can be absorbed by increased productivity even if wages too take an uptrend. This is quite practicable at the present stage in the United States and in Europe; so it is possible to keep wage increases from directly affecting the level of prices in general.

Wholesale Prices Situation

Another feature that cannot be overlooked is the special situation which prevents wholesale prices, representing commodities produced in large quantities, from indicating with any accuracy the rise of costs.

For one thing, there is far more room in Japan than in the United States or Europe for betterment of productivity. This is obvious from any comparison of each sector of industry, while even with the big operations the output per capita is generally much lower than in the Western countries. With the small and marginal operations the gap is incomparably greater. We have already mentioned that the likelihood of higher wages being paid is greater in the small and marginal enterprises than in the big operations. But because it is in this area that there exists room for upping of productivity, higher pay is not likely to result immediately in higher prices.

In actual practice, the small and marginal enterprises, faced with the problems of manpower shortage and higher pay, must choose between readjustments for unification, induction of new capital and subservience to bigger parent organizations if they are to survive. Consequently, the betterment of productivity, though easily said, will by no means be achieved without considerable travail. Nevertheless, so long as such constitutional reform results in absorption of the wage increment by increased productivity there should be no great worry about higher cost and prices.

The second big difference between Japanese and Western businesses is the heavy interest burden on the former. It would be impractical to attempt a sudden artificial reduction of money rates. However, it is certain that the cost of money will gradually decline to the world level. Consequently, Japanese business has, in this easing of the burden, the wherewithal to absorb higher cost resulting from higher wages.

Cheaper money will not only reduce the burden of interest payments, but should also bring down the general level of dividends to shareholders. This again provides a cushion against rising costs.

The third difference is even more important than the foregoing two. The prices of Japanese products in the domestic market are repressed by intensive competition among the manufacturers. So long as expansion of production capacity keeps ahead of the growth of demand, as it is now confidently predicted, and the tendency toward overproduction continues, there will be no abatement of the fierce competition, and prices will not go up despite increase in costs.

The important role played by this competition, described by some experts as excessive, for stabilization of prices can be more readily grasped by reference to the means of "creeping inflation" in the United States.

One of the causes of this "creeping inflation" is said to be the prevalence of monopolistic pricing. The strong organizations of labor tend to monopolize the labor market, and this results in an inexorable drive toward higher wages. On the other hand, private enterprise too tends strongly toward monopolization. This is demonstrated by the situation created by the recent steel strike in the United States. While the price of steel remained virtually unaffected by the near-complete stoppage of production, decline in sales too does not result in any appreciable softening. The same phenomenon is seen in other big American industries, and it is obvious that despite the stringent anti-trust law and regulatory mechanism there is tacit agreement among businesses to maintain prices at a satisfactory level. Consequently, whenever there is an increase in the cost of production it is relatively easy to effect an upward revision of price, and there is a continuing firmness of prices in general.

Another factor contributing toward "creeping inflation" is the price support policy of the United States Government, particularly in connection with farm produce, and with competitive imports which are kept at bay by means of tariffs and quantitative restrictions.

When it comes to protectionism, Japan certainly is no better than other countries; but in regard to monopolistic pricing we are as yet incomparably immature. 1) The so-called big businesses of Japan are by no means big by world standards. Consequently, they must continue striving for expansion. 2) There is considerable duplication of big operations in the same line of business, so competition is intensified. 3) Because dependence on borrowings is extremely high, the ties with the banks are close and strong; while inter-bank competition tends to be reflected by competition between enterprises depending on these city banks.

In any event, the intense competition fanned by the factors mentioned above is notably effective in preventing any inordinate rise of the price of manufactured products.

Schematic for the Redeployment of Manpower

It has been concluded in the foregoing that while retail prices are becoming firm, and indicate a tendency toward rise, there is little or no likelihood that an inflationary trend will develop in the foreseeable future. This does

not mean, however, that the Government need not do anything to prevent the rise of retail and consumer prices. For needless to say it is better to keep the stiffening of prices within manageable bounds.

One of the most effective measures in this connection would be to arrange for smooth redeployment of manpower from the industries and regions where surpluses exist to those faced with shortages. If this can be carried out effectively and smoothly, the wage differential between industries will disappear, while there will be more uniformity in productivity. Summing up the statements of Prime Minister Ikeda, made during his recent speech-making tour, it can be surmised that his Government's ten-year plan calls for the changes described below in the distribution of Japan's working population. The manpower used currently by the secondary (many manufacturing) and the tertiary (banking, wholesale, retail, services, etc.) industries stands at an estimated 30 million persons. Ten years hence, this workforce should increase to 45 million, this increase being partly met by the youngsters newly joining the working population. But the new additions to the secondary and tertiary industries will not be more than 7 million, or some 60 percent of the estimated 13 million that will be available through natural population increase. This will be some 8 million short of the estimated requirement, and this shortage will have to be covered by manpower shifted from the primary (farming, forestry and fishery) industries. Currently, there are some 15 million persons engaged in work in the primary industries; so ten years hence, with the shift to the secondary and tertiary fields, there is expected to be a reduction of millions of farm workers. If everything goes according to plan, there will be enormous improvement of the farm situation now harassed by surplus labor and low productivity.

It must be realized, at the same time, that redeployment of such a huge number of workers will call for extraordinary effort and planning, particularly since even shifts from one establishment to another within any given industry tend to be difficult due to disparities in terms and conditions. The headaches created by the surplus of coal miners vividly point out the difficulties that can be expected. Should there be any mishandling of the situation, the rush to recruit labor could very well bring about a rise in wages, while at the same time there will be no relief afforded those in misery through no fault of their own.

The problems in connection with redeployment of manpower are by no means restricted to the wages. The industrial centers are already in trouble because of water supply difficulties, inadequate motor roads, housing shortage, and other matters that seriously affect habitation. Undertaking improvements in these areas will without doubt contribute indirectly toward stabilization of prices.

Prevent Monopolization of Pricing

Another measure which the Government will have to take up in connection with its price policy is prevention of attempts on the part of private enterprise to boost prices. At the present stage, the most effective action would be to expedite liberalization of foreign trade and exchange. For, the purpose of decontrol is to remove the restrictions now imposed on free flow of commodities, and to give free rein to those industries capable of competing in overseas markets while terminating the inordinate protection afforded the less efficient enterprises. In other words, the aim is to correct the industrial structure heretofore distorted by artificial protection, thereby enabling Japan to compete more successfully in world markets. This is in complete accord with the aforementioned plan of manpower redeployment for improvement as well as normalization of productivity.

The end-result of liberalization will be that local manufacturers will be prevented from increasing prices on the ground that costs are rising. For if the domestic product is priced excessively high, it will be forced out of the market by cheaper imported product.

With the General Election approaching, the Ikeda Government appears reluctant to emphasize liberalization which tends to be unpopular in some quarters. Nevertheless, it is said that decontrol is one of the basic aims policies. If this be true, all is well. We urge that this praiseworthy intent be upheld for the stabilization of prices.

Another recommendation in this connection is that the Ikeda Government avoid attempting to protect or nurture, by way of expedience, any industry that cannot survive in the long run. Decontrol of soybean imports, it now appears, will be carried out as originally planned. Among farm produce there are many items which maintain high prices as a result of the heavy protection accorded.

Typical is the sugar beet industry. Perhaps special protection is justifiable as an interim measure; but successive steps should be marked out ahead to reduce and finally eliminate all protection that cannot be truly justified. This is particularly important in pursuing a consistent price policy.

Although the danger of monopoly pricing is far less in Japan than in the United States or in Europe, it will be necessary to exercise due surveillance. Perhaps liberalization of trade will effectively strike at the roots of such trouble; but there will always remain an opening for the seeking of special privileges through protective tariff rates and tax benefits. Although the effect on prices in general of such indirect protection is not immediately discernible, the matter cannot be ignored considering the side-effects that have appeared in connection with the customs tariffs on petroleum and its derivatives. The prices of other fuels are definitely affected.

We should like to add, in conclusion, that the stiffening of prices as a result of rising wages cannot be corrected or adjusted by the fiscal and credit measures of the kind undertaken heretofore. Even should it be that, at the present stage, the implementation of such measures may be judged as unlikely to cause inflation, once they actually do cause any rise of the general price level, it will not be possible to remedy the situation by recourse to corrective actions used in the past. This fact should by no means be forgotten.

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Labor

Measures for Former Coal Miners:—One of the most characteristic features of Japan's labor market has been the chronic oversupply. Recently, however, a completely new situation has appeared in the form of shortage of university graduates (science majors) and skilled workers. This tendency is expected to continue into the future with the country's economy growing at a hectic tempo. However, one should pay equal attention to the existence of a vast army of unsatisfactorily employed working in cottage-level industries. Thus, the measures against the unemployed and unsatisfactorily employed remain among the major problems for the new Government. Especially needed are measures for those who have been forced to leave coal mines. In full realization of this fact, the Ikeda Government is showing an unusual zeal for relieving and re-educating the former coal mine workers.

It is true that some measures had already been taken for the relief and re-education of former coal miners in the hope of coping with the steadily progressing "energy revolution" from coal to petroleum. For example, employment agencies have been active in trying to transfer the former coal-miners en bloc to other industrial parts of the country, where labor is in shortage. Before transferring, re-orientation has been given to the former coal mine workers. For another example, public engineering and construction jobs have been given to the dischargees in the hope of keeping them occupied before they find any permanent jobs.

All these and other programs have been gradually begun to be coordinated since around 1954. And in 1959, the Former Coal Miners Temporary Relief Law has been enacted with the time-period of five years. This law covers all the workers who left coal mines since 1954 and tries to find jobs for them; re-orient them for new jobs; subsidize them on their journey to new working places and help settle them to new living quarters.

However, it is obvious that these measures alone are not good enough to cope with the increasing number of workers scheduled to be laid off (some 118,000 in the coming four years). The Employment Problem Deliberation has, therefore, been active in formulating more powerful and more all-embracing measures against the unemployment problems. On October 11, the Council laid bare its opinions to the Labor Minister, for whose information and edcation the council was originally formed.

1. Stabilization Measures of Coal Mine Employment: a) In order to maintain the current level of employment in coal mines, development measures for opening new markets for coal together with the diversification of management should be strongly pushed. When dismissals become inevitable, industry-wide measures should be taken, instead of any arbitrary and unilateral stop-gaps. b) In order to erase the sub-level employment situation, chiefly in small coal-mining enterprises, measures should be taken to insure that such boons to the employees as the minimum wage and severance pay, systems are adopted. At the same time, efforts should be exerted to write off any violations of safety laws and to restore good and amicable relations between labor and management. In cases where enactment of these measures are hopeless, the Government should buy them out and cease the operation thereof, and, at the same time, make brisk use of the permission system in throttling the debut of such low-efficiency coal mines.

2) Re-employment Measures for Former Coal Mine Workers: a) To make sure that all the former coal miners wishing to work in other industries register themselves at employment agencies and that they rightly put on "employment-finding" routes. b) Training should be given to all those who have registered with the employment agencies. During the training period, allowance should be given. Training facilities should also be greatly strengthened. c) Every effort should be exerted in the blazing of new employment market for the dischargees. Especially needed are measures to increase the number of public jobs to insure full employment of the dischargees. d) In the constructon of dischargee housing projects, dichargees themselves should be employed with the assurance that they are given living quarters they themselves are building. e) A special agency should be established to cope with the unemployment and re-employment problems as an extention of the current Coal Mine Dischargee Support Council, which started as a cog in the newly-set-in-motion Relief Law. f) Development of industrial potentiality in the coal mine areas should be strongly pushed in order to absorb the dischargees out from the coal mines.

3) Livelihood Measures for the Coal Mine Dischargees: In order to give livelihood to those who are unable to get into new jobs, following measures are going to be taken. a) Establishment of a new unemployment allowance—more in the nature of allowances for "waiting" than the usual "relief" allowances· b) Rationalization and adjustments of a variety of employment measures to sound every possibility.

Labor Supply-Demand Imbalance Growing:—According to the Labor Ministry survey, the average total number of employees in all industries (Jan. through May) stood at 43,470,000–870,000 more than the corresponding figure a year ago. One of the most noteworthy facts about the curreut statistics is the brisk growth in non-agricultural industries and the slowing tempo of growth in agriculture-forestry fields. Of the tothl number of workers, some 14,320,000 were agriculture-forestry workers (a growth of 160,000 over the previous year's figure), while 29,150,000 were engaged in non-agricultural occupations (an increase of 710,000 over the previous year's figure), Thus, the growth in non-agricultural fields has been one of the most vigorous in many years, accounting for 64% of the total employment advance. However, the general consensus is that this high rate of employment growth will not continue into the future. One indication of this change is seen in the monthly labor statistics. The regular employment index in July in manufacturing industries stood at a lowly 0.3% compared with 0.6% in the preceding month. Likewise the number of job-seekers, which had been on a steady downgrade ever since Feburary, 1960, started to climb again with 11% growth. On top of this, the number of the completely unemployed, which had also been on a downcurve for some time, began to mark time. The number of those who are covered by unemployment insurance and that of those who are living on unemployment insurance, on the other hand, registered slight drops of 1.1% and 1.4% respectively in July from previous month.

Employment Indices

	Mining-Manufacturing (1954 100)	Average monthly Job-seekers (1,000)	Average monthly Job-offers (1,000)	No. of unemployment -insurance drawers	No. of completely unemployed
1960 January	143.0	1,756	1,464	450	55
February	143.9	1,467	1,271	478	51
March	147.6	1,363	1,220	486	72
April	155.7	1,259	1,129	417	47
May	156.3	1,169	1,013	341	42
June	157.0	1,104	742	331	41
July	157.0	1,118	644	326	40
Ag. pre. month	100.0	101.3	86.8	98.6	97.6
Ag. corr. month year ago.	113.7	88.4	114.4	88.2	69.0

Source: Ministry of Labor.

Foreign Trade

August Balance Again in Black

According to an announcement recently made public by the Finance Ministry and the Bank of Japan, foreign exchange in August again registered a big black ink overall balance of $69 million, or a conspicuous increase of $21 million from a month ago. This was the second largest favorable balance, next only to $97 million recorded in July, 1959. Reasons were: active shipments of iron and steel products to the Soviet Union and Argentina and the pickup of sales to the United States contrasted to stagnant imports of industrial materials, especially raw cotton and iron ore.

In current transactions, receipts came at $397 million (up $8 million from a month ago) and payments at $382 million (off $6 million), favorably balancing at $15 million (up $14 million). In capital transactions, the favorable balance climbed up by $7 million to $54 million.

Foreign fund holdings, therefore, have been bulging continuously, reaching $1,658 million as of September 30. This figure showed an increase of $89 million from a month ago, or the second largest monthly gain next only to $96 million in July, 1959, which however resulted from the revaluation of the gold reserve (the profit transferred into the foreign fund reserve). As the result, the foreign fund holdings registered a remarkable gain of $297 million in the April-September 1960 period from $1,361 million as of March 31,1960 (the end of fiscal 1959).

Such rapid growth of Japan's foreign currency reserve was ascribed to 1) the steady expansion of exports, 2) the increase of Euro-dollar deposits on the London market, and 3) the marked gain of free yen accounts.

April-September Exports & Imports

In the first half (April-September) of fiscal 1960, outgoings amounted to ¥2,008 million, or up 4.7% from six months ago and up 18.5% from the like term of last fiscal year. This was the biggest postwar record, eclipsing the $2-billion mark for the first time. Incomings totalled $2,245 million, or up 7.4% from the preceding six-month period and up 21.4% from a year ago. The figure was the second largest semi-annual purchases, next only to $2,349 million in the first half of fiscal 1957, since the war's termination.

As the increase of purchases exceeded that of sales, the adverse balance rose to $237 million compared with $173 million in the second half and $154 million in the first half of fiscal 1959.

In this half-year term, the growing tempo of export trade was not so brisk as in fiscal 1959, but the gradual upturn was well retained. With the only exception of April, import trade marked time on a very high level throughout this period.

Outgoing shipments gained more or less from a year ago for almost all the export items. Notable increases were registered in two categories of commodities, namely 1) textiles and manufactures thereof (up ($95.71 million or 18.7% from the like period of fiscal 1959) and metals and manufactures thereof (up $86.65 million or 44.6%). Among the big 10 items, the biggest gainers were: iron and steel products (up $74.17 million or 61.1%), cotton fabrics (up $24.24 million or 17.1%) and radio receivers (up ¥23.13 million or 44.4%). Steel boats, on the other hand, suffered a decrease of $42.5 million or 26.1%, and ranked fourth, though they had long been by far the most important export item.

Import goods, too, registered gains in most cases. Particularly steep upcurves were seen in mineral fuels (up $87.08 million or 31.8% from the corresponding period of fiscal 1959), metal ores and scraps (up $65.42 million or 23.4%), textile materials (up $61.68 million or 18.6%) and animal and vegetable materials (up $46.92 million or 18.3%). Among the 10 big items, all but scrap iron were purchased more than a year ago. Especially conspicuous were gains in petroleum (up ¥55.49 million or 25%), raw wool (up $38.46 million or 38.8%), and iron ore (up $33.98 million or 42.2%).

Reasons for Sept. Foreign Fund Gain

Responsible for the afore-mentioned boost in September of foreign fund holdings were the following factors:

1) The upper limit (thus far set at $54 million) of foreign exchange banks' unsecured loans was abolished on September 1, and accounts of this category increased by $23-33 million throughout the whole month, the majority of them sold to the MOF (Minister of Finance) account.

2) Receipts related to the US Security Forces were up $34 million.

3) Impact loans received turned out $25 million more than usual, including Kobe Steel Works' loan of $15 million from Prudential Life Insurance (USA).

4) The influx of free yen came at $28 million (compared with $62 million in August and $66 million in July).

5) Some gain was also seen in usance bills.

Ministry of Finance quarters estimate that current transactions in September will again witness a favorable balance of well over $10 million. Such optimistic outlook is supported by the balance of letters of credit.

In September, export letters of credit received amounted to $286 million, and import letters of credit opened to $214 million, favorably balancing at $72 million. Though $36 million less than a month ago, this black ink balance clearly indicated the encouraging prospects for international payments.

Exports included, among others, canned goods bound for the European countries, iron and steel products for the Middle East and the Near East, and ICA sales of fertilizer, etc. to Korea. It is noticeable that shipments to North America got duller than ever.

Major import items were: textile materials for which seasonal demand began to pick up; and foodstuffs, coal, iron ore and petroleum (all included in the "planned imports").

Export LC's received in the half-year term from April through September summed up to $1,716 million, and import LC's opened, $1,332 million. The black balance came at $384 million, recording marked gains from $183 million six months ago and from $97 million in the first half of fiscal 1959. All this was attributed, for the most part, to the considerable expansion of overseas sales, i.e. up 3.4% from the preceding term and up 13.3% from a year ago.

Foreign Exchange Budget for 2nd Half

The foreign exchange budget for the second half of fiscal 1960 (closing with March 31, 1961), announced on September 27, totals $3,530 million, of which commodity imports account for $2,800 million and outlays in invisible trade $730 million. Excluding the ordinary reserve of $200 million, the practical appropriation for commodity imports stands at $2,600 million. The figure is much bigger than $2,483 million for the first half of 1957 and turns out the postwar biggest budget for six-month purchases. Reflected in such a liberal fund appropriation are not only the steady growth in scale of national economy but also the Government's preparedness for bold liberalization of import trade.

Of the $2,600 million budget for commodity purchases, $50 million (up $20

million from the first half) is for AFA items, and $1,100 million (up $130 million) for AA items. The latter AA appropriation is the largest one since the introduction of this system. Placed on the AA list since October are 238 items, bringing the total to 1,340 items (see this column in the October issue). To be added before long to the AFA list are about 200 items, and the total will increase to nearly 600 items.

Thus, the rate of import liberalization will rise from 42% to 44% or so. In invisible trade, the liberalization rate will advance to 60% (52% in the previous term).

Foreign Exchange Budget Changing in Nature

The foreign exchange budget for the second half of fiscal 1960 has particularly prominent features: namely, it has been losing much of its policy orientation in proportion to the progress of import liberalization and becoming something like a mere "import schedule". In this process, various policies are mixed up with one another: i.e. the food import plan versus trade policy, petroleum imports versus the protection of the coal mining industry at home, and above all the overall liberalization of trade.

The foreign exchange budget has so far exercised, among others, four functions: i.e. 1) to maintain the stability of the international payments position, 2) to make a survey of international trade and thereby to keep well balanced Japan's trade with foreign countries and regions, 3) to regulate industrial order (e.g. to rigidly allocate raw cotton and other textile materials so that excessive rivalry in manufactured products may be avoided and exports promoted), and 4) to protect the domestic market and home-manufactured goods.

In the new foreign exchange budget for the second half of the current fiscal year, however, these functions have completely disappeared or lost much of their significance for a number of industries and items.

The first function, for instance, now is a nominal one though the budget has been compiled in consideration of the international payments outlook, for Japan has such abundant reserves, as above mentioned, that foreign funds are sufficiently allocated for imports of essential materials and products.

The third function (or industrial control) has become much less important. As material imports are to be liberalized in April, next year, the textile industry is ready to carry out necessary adjustment, if necessary, without resorting to the material allocation system. As for the import of metal ores, non-metallic materials and fuels, the new budget has almost no account designed to control purchases from abroad and thereby to maintain industrial order.

Incorporated in some way or other in the new budget, however, are the second and fourth functions: i.e. orientation to trade policy and protection of domestic industry.

For further promotion of export trade, it is essential for Japan to purchase more primary products from under-developed countries in Southeast Asia and other regions and thereby to keep well balanced trade with them. Unfortunately, many of these products are not necessary for us or can be bought more cheaply from other sources. If materials are purchased at higher prices, Japanese industries could not build up their international competitive power. Thus, too much emphasis cannot be placed upon the orientation to trade policy. Herein lies the crux of the free trade problem.

The protection of domestic industry, too, now does not hold such importance as it did formerly. Many machinery builders still clamor for government protection through import restrictions on the ground of their weak competitive strength. Manufacturers in various fields, on the other hand, find it imperative to equip their plants with superior machinery of international standard if they want to compete with rivals abroad on an equal footing. It is hardly possible, therefore, to stick to the protectionist policy. It is to be noted that not a few sundry industries are exposed to the whirlpool of trade liberalization simply because they have rapidly grown up under the parasol of import restrictions. Coal mining, however, must needs be protected as ever from two standpoints: namely, 1) conservancy of domestic deposits and 2) employment policy. This is the reason why the "coal first and oil second" idea is kept in the new budget.

After all, the foreign exchange budget has thus turned into something like an "import plan" or a "payment schedule" not oriented to any national policy, while on the other hand the liberalization of trade has been proceeding on a worldwide scale. And the budget for the second half of the current fiscal year may well be regarded as a stop-gap between the first half of this fiscal year when a long step was taken for freer trade and the first half of fiscal 1961 when imports of textile and other materials will be liberalized.

Re-start of Sino-Japanese Trade Seen

Trade with Communist China, suspended since May, 1958, because of the Five-star Red Flag incident at Nagasaki, is likely to be started again in some way or other. In his interview with Mr. Kazuo Suzuki, Managing Director of the Sino-Japanese Trade Promotion Association, Premier Chou En-lai reportedly put forth three principles: i.e. 1) Agreements shall be concluded henceforth on a government-to-government basis, 2) even without such governmental arrangement, however, it may well be possible for the Chinese trade agency and Japanese private interests to enter into trade contracts if only conditions are ripe, and 3) "consideration goods" will be provided as ever.

As things stand at present, Japanese trade circles are putting much emphasis upon contracts on a private basis, for it is unimaginable to conclude any governmental arrangement without normalizing diplomatic relations.

It must be noted, however, that private trade, even if opened again, widely differs from previous transactions based on a private overall agreement. Private contracts under the proposed three principles will be signed separately and more limited in scale than the former agreement. In other words, China will trade only with "friendly trading concerns", which are to be recommended to the Chinese trade agency by progressive parties and Sino-Japanese amity associations. Though they have nothing to do with government-to-government arrangements, they cannot be enforced smoothly if the Japanese Government makes any interruption.

The "friendly trading concerns" issue is really a delicate one. China is free to select such concerns from among a number of interests recommended, so Sino-Japanese trade will be at beck and call of Peking. Interests thus picked up by Peking will find themselves handicapped in other dealings.

Not only that, the Peking Government has declared that private contracts will be scrapped at any moment when the Japanese Government assumes an unfriendly attitude. If this is really the case, Japanese interests won't be able to conduct their business without anxiety. All this is ascribed to the fact that the Peking Government stands pat on the unity of politics and economics strikingly contrasted to the Japanese strong desire for separation of trade from political considerations.

It is still to be seen how these issues will be solved and when, but one step after another are being, and will be, taken for resumption of Sino-Japanese trade. Mr. Tatsunosuke Takasaki, of the Liberal Democratic Party, now is visiting Peking for trade talks with Premier Chou En-lai and other Chinese leaders. He was president of a mammoth heavy machinery corporation in Manchuria in time of war, and he has been playing a key role for postwar reconstruction of Japan. The Chinese Government, on the other hand, appears inclined to incorporate trade with Japan into its economic planning for the current year. It is likely, therefore, that two or three cargo boats will be placed for shipments to the Chinese mainland before long, say by the end of this year.

Glimpses of Japanese Culture

Incense Cult of Japan

By Chiyo Takeyama

Devotee appreciating incense

In Japan there have developed a variety of "ways" in which the artistic senses are cultivated. Each of them has a long tradition and forms of its own. Of these, such "schools" as flower arranging and the tea ceremony have become quite popular and are also known to countries outside Japan. The incense cult or incense ceremony—whichever you prefer to call it—is another of these "schools." Although least known to the world, the incense cult has as old a history as both the tea ceremony and flower arranging. Just as the tea ceremony is based on the sense of taste and flower arranging on the sense of vision, the incense cult is based on the olfactory senses.

The major reason why the incense cult has failed to become as popular as the tea ceremony and flower arranging is that the world of the olfactory senses is very delicate and the aromatic trees used for this ceremony are very hard to obtain. The cult therefore has been confined to the Imperial Court and a small coterie of upper-class people. However, the fact still remains that there is nothing more edifying to the olfactory senses of the Japanese people than the little-known incense ceremony. The writer has no knowledge of other people in the world who have created a spiritual pastime in which as elusive a thing as fragrance is involved and in the mastering of which long years of training are required.

Introduction of Aromatic Trees

The history of human desire for fragrance is a very old one and in Japan it dates back to the 7th century at the time of Emperor Suiko. One day, part of a big tree was washed ashore on a small island to the west of Japan. When the natives of the island used that chunk of tree as a fuel, it became a virtual fountain of fragrance. Surprised and curious, the natives offered what was left of the tree to the Emperor. This was the beginning of the incense cult of Japan.

Buddhism was in its highest element during the reign of Emperor Suiko and this fragrant tree was used as incense by the Emperor himself in front of the images of the dead.

In the *Shosoin*—the court treasure house built in the 8th century—there still remains an incense called "Ranjatai." This incense is so powerful that the dead were thought to come to life when it was burned. Although these aromatic trees are very highly valued in Japan, none of them has been produced in Japan. All of the aromatic trees have been imports—mostly from the Southeast Asian countries. It is only natural, therefore, that the people of Japan should come to regard these aromatic trees with admiration and awe.

From ancient times, the Japanese people seem to have had a talent for digesting things that came from overseas and transforming them into their own. The people, who were drawn to burning aromatic trees, were later to create a completely unique field of artistic appreciation—that of the olfactory senses.

Debut of the Incense Ceremony

At first, these aromatic trees were used only on religious occasions. Later, the use was much more diversified and came to be important for the purpose of increasing the dignity of the occasion during ceremonial events including coronations in the court. Still later, an organ called "The Incense Agency" was added to the Imperial Court system to take care of all the problems pertaining to incense and its ceremony. At the same time, the interest in the practice of incense became much more widespread. However, the price of the aromatic trees was still prohibitive for the majority of the people during this period of 9th century through 14th century. It was about this time, therefore, that comparatively inexpensive subsititutes, made from aromatic materials from China, began to be manufactured. Ancient records show that people tried to satisfy their desire for fragrance by creating incense out of a variety of "medicines" and burning them. As people in foreign countries put a great deal of effort into creating perfumes out of various combinations of flowers, the Japanese people tried to make a synthesis of incense out of a variety of "medicines."

The Tale of Genji—one of the most representative novels of ancient Japan—contains a part in which court gentlemen and ladies discuss the merits and demerits of various incenses. Books produced in the Kamakura Period also contain parts in which authors likened the fragrance to visitors from paradise.

The uses of incenses then gradually spread. Warriors burned them around their helmets and ladies near their clothes—for the same purpose—to keep their personal effects sweet and fragrant.

By the 15th century, the traffic between Japan and outside countries had become more active with aromatic trees and incense materials flowing into Japan directly from the producing countries in Southeast Asia—such as India and Malacca. Historians record that it was during this century that the importation of aromatic trees was most active. The study of aromatic trees and incense in general was also greatly accelerated.

Set of equipment for Incense ceremony

In the 16th century—some 800 years after the discovery of aromatic trees, a court gentleman by the name of *Sanetaka Sanjonishi*, together with other intellectuals of his time, drew up the forms and regulations for the incense ceremony. It was on these forms and regulations that much of the present style of the incense cult is based.

When the incense cult was revived immediately after the Pacific War, *Kimimasa Sanjonishi*—a descendant of *Sanetaka Sanjonishi*—became the head-master of the whole organization. That the family line of *Sanjonishi*, as well as the cult itself, has been handed down to the present day through uncertain generations is a clear indication of the firm integrity and tradition of the incense cult.

True Meaning of the Incense Ceremony

There is nothing similar in the whole world to the incense cult of Japan—a field of artistic appreciation based on the training of the olfactory senses. It is true that there has been a long tradition of interest in aromatic trees and materials in such countries as India and China. In the western countries, perfumes have long been considered a treasure. But it is only in Japan that the interest in fragrance and the source thereof has culminated in a cult with deep artistic and literary meaning for the spiritual enjoyment of humanity.

One of the most important architects of the incense cult was *Soshin Shino*, who carried out a classification and analysis of a variety of aromatic trees and materials which had been

Preparing for incense burning

used in Japan. After a long series of analyses, *Shino* reached the conclusion that the aromatic trees and materials, for all their variety and complications, could be grouped into five major odors distributed through six countries.

As a result of this analysis, the basic knowledge of aromatic materials was made widely available and the manners and equipment used for the cult were finally consolidated. Thus, the incense cult came to possess beautiful equipment comparable to that used by other "schools" such as flower arranging and the tea ceremony.

In contrast with the tea ceremony, which advocated *wabi* (quiet solitude), the incense cult advocated grandeur and color. This was only natural in view of the fact that the aromatic materials used for the incense ceremony were all expensive imports and that the equipment used were equally colorful and expensive. This preference for grandeur and luxury proved to be instrumental in confining the incense cult to only the aristocracy and high society to the exclusion of the ordinary people. This is the reason why the incense ceremony is not as popular now as its sister accomplishments. However, it is also due to this confinement that the cult itself was able to keep its old purity to the present day.

The major reason that the incense cult alone is outside the realm of the Japanese people in general, not to mention foreigners, at present when the other accomplishments of flower arranging and the tea ceremony are enjoying a great deal of

Putting incense on fire

popularity both among the Japanese and among the peoples of foreign countries is the intrinsic abstruseness of the highly sophisticated world of fragrance. However, the desire for aroma and fragrance itself should be nothing but universal. When people get together in front of the burning incense, their hearts—regardless of nationality and everything else—are gradually merged and a peace, nameless but soothing, begins to reign.

The students of the incense cult learn, step by step, the manners and forms in incense burning and the games based thereon. These stylistic activities, however, are not the true identity of the incense cult. The real objective of the incense cult is to know the "tastes" of a variety of aromas and, thereby, highten the sensitivity of the learners and give life to spiritual respite. The writer has a firm belief that this cult, based on the human olfactory organs, could be an art—international in nature and in sympathy with human conditions.

Contents of the Incense Ceremony

The incense cult, as it is practiced at present, can, according to its functions, roughly be divided into two parts. One is for the purpose of ceremony and the other is for the cultivation of the artistic sense. In the latter division, there are again two sub-categories. One deals purely with the appreciation of incenses and the other enlists the help of games and plays in driving home the truth of the incense cult.

There is a method of "hearkening to" the aromas (in the incense cult, you "hearken to", not smell, aromas) by the name of *Itchugiki* (Pinch of Incense). This is the way in which each devotee appreciates a burning incense according to his own sensitivity.

For example, when people "hearken to" an incense—say, *Hatsune* (every incense has its own particular name), one may call to mind the aristocratic quietness of an ancient Imperial Court; the other may find in the soothing smell a respite from hectic everyday life. Thus, the feeling each of the practitioners gets from a single incense varies from person to person. It is because of this width, depth and freedom in appreciation that the incense cult has an unrivalled spell upon its practitioners.

"*Kumiko* (Set Incense)" is another of the methods of appreciation. A certain number of incenses are grouped into a set and the practitioners "hearken" to the incenses in the set one by one under a literary theme.

In this method—or game—one does not merely sniff at the incenses in the set, but associates the fragrance of the incenses with the background of certain songs and passages, and then appreciates the literary products through the olfactory senses, so to speak.

When a set of incenses is based on a passage in *The Tale of Genji*, such incenses that represent the feelings and situations of the heroes and heroines, seasonal atmosphere of the scenes, etc. are carefully chosen. The point of the game is that, by understanding the rhythm and harmony conjured up by the incenses in the set, players try to reconstruct *in senses* the famous passages of literature. Thus, the incense cult can sometimes be a very pleasant game. However, the basis on which the whole thing is constructed is very spiritual and related directly to the heart of the Japanese people. (*The writer is assistant headmaster of the incense ceremony.*)

Kaleidoscope

Equipment Investment Plan:—The Development Bank of Japan published on September 26 its intermediate report on the equipment investments planned by Japan's major firms for the fiscal 1960 and 1961. Of 2,192 enterprises in manufacturing, mining and agriculture-forestry-fishery fields chosen for inquiry, 86% made replies of their investment plans as of August 1. According to this report, the total equipment investment in the fiscal 1960 stands at ¥1,613.6 billion—a 48% growth over the fiscal 1959. However, the investment is expected to mark time in the fiscal 1961. In the fiscal 1960, majority of industries show energetic surges forward. Especially brisk was the growth in such fields as automobiles, general machinery, petrochemicals and oil refining, where growth proved to be more than double the previous year's figure. In the fiscal 1961, on the other hand, seven industries including paper-pulp, automobiles and chemical textiles may register slight drops, although majority of the industries are expected to do just about the same amount of investments during the year. One important recent feature is the higher dependence on borrowings for equipment investment funds.

Freight Transportation by Cars:—According to the survey carried out by the Transportation Ministry, the total freight transportation by cars during the month of May stood at 96,240,000 tons—some 5.8 times the carloadings by the National Railways during the same month. However, in terms of ton-kilometers, freight transportation by cars stood at 1,698,950,000 ton kilometers—10/26 of the National Railways achievement. The average per capita transportation distance by bus stood at 5.4 km. Judging from the figures for April and May, the annual freight transportation by car is expected to reach 1,100 million tons (20,000 million ton kilometers).

Biggest Rice Crop Expected:—Ministry of Agriculture & Forestry published on October 3 its estimate of the rice crop for the current year as of September 15. Thanks to the ideal weather for the rice plant, the total of land and paddy field rice crops is expected to reach 12,964,000 tons (86,424,000 koku) —54,000 tons more than the previous estimate as of August 15 and 462,000 tons (3,083,000 koku) more than the previous year's achievement. The new figure is by far the highest in Japan's agricultural history.

Openings for University Graduates:—According to the estimate of the Federation of Economic Organizations (as of September 12), a new record was set for the available openings for those who are going to graduate in the coming spring. Of 404 companies which made replies to the Federation's inquiry, 369 enterprises (91% strong) are going to hire university graduates with the total would-be employees standing at 10,780 —27% more than the achievement in the past spring. In spite of this large-scale growth in openings, the number of available university graduates is marking time. Therefore, competitions among enterprises for graduates—espeically those who majored in science—are getting severe. The growth of openings stands at 12.4% for clerical jobs and an amazing 50.7% for technical jobs. Chances are that there will be a considerable number of firms unable to recruit enough technical workers.

Watch & Clock Production:—According to the Japan Watch & Clock Association, the timepiece production (wrist-watches, clocks, alarms and all other types inclusive) during the six month period from January through June, 1960 stood at 6,620,-000 units—some 40% more than the achievement in the corresponding period a year ago. Major spur for the bigger production was the brisk local demands. Exports, on the other hand, proved to be disappointing with only 118,000 units ($440,000) crossing the sea. One reason for the disappointing export showing was the delay in transactions with the United States.

Centralization of Production:—Fair Trade Commission has recently compiled the centralization degrees of production (production percentages held by industrial enterprises in the overall picture). One of the most noteworthy facts about the current survey is the smaller percentages held by big businesses in comparison with pre-war figures. Following are the current centralization degrees in major industries. (Figures are percentages held by selected companies.) *Iron & Steel:* a) pig iron—Yawata, Fuji and Nippon Kokan: 71.8%; b) hot-rolled steel products—seven companies: 72.4%; c) black sheet—ten companies: 75.1%; d) ferro-alloys—Yawata and Kawasaki: 30.4%. *Machinery:* a) sewing machines—ten companies: 51.9%; b) bearings—ten companies: 51.9%. *Electric Machinery & Equipment:* a) electric bulbs—Tokyo Shibaura and Matsushita Electric: 58.1%; b) electric washers—six companies: 89.5%; c) electric refrigerators—four companies: 87.2%; Braun tubes for television sets—six companies: 100%; d) prime movers—five companies—88.4%. *Mining:* a) Coal mining—ten companies: 61.8%; b) Crude oil—Teikoku Oil: 96.2%. *Foodstuffs:* a) city milk—Meiji, Morinaga, Snow-Brand: 31.9%; b) butter—Snow-Brand: 11.6%; c) soy-sauce: Noda, Yamasa, Choshi, Marukin: 22.2%; d) sugar—four companies: 39.2%; e) beer—three companies: 98.1%. *Textiles:* a) spinning—two companies: 24.5%; b) cotton spinning—ten companies: 47.5%; c) hard and bast fiber—five companies: 90.2%. *Paper & Pulp:* a) pulp—three companies: 25.8%; b) western-style paper—three companies: 36.0%. *Chemicals:* a) ammonium sulphate—ten companies: 81.9%; b) calcium cyanamide—three companies: 74.5%.

Iron Ore Survey Team to Latin America and Southeast Asia: —The Committee for Overseas Iron & Steel Making Raw Materials (Seitetsu Genryo Iinkai) composed of eight blast furnace iron-steel firms has recently come to the conclusion that the total import requirements of iron ores in the fiscal 1970 would reach 44,980,000 tons (the figure for the fiscal 1960: 11,650,000 tons) and that the supply would fall short of some 15,180,000 tons if the matter was left to its own course. Seeing an urgent necessity to make a great deal of imports from the countries in Latin America and Southeast Asia, the committee agreed to send a joint survey team to those areas to explore the possibility of large-scale imports of iron ores.

Farm-household Income Booming:—Thanks to the full-sized production growth in rice and other agricultural items together with the considerable hiking in prices, the gross agricultural product advanced by 6-7%; cash income from agricultural activities, by 11-14% and cash receipts from non-agricultural activities, by 9-11%—respectively over the previous achievements,

Key to Stock Investments in Japan

Japanese Securities Market

One of the noteworthy features of the capital position of Japanese enterprises is greater dependence on external funds such as loans from monetary institutions than on net worth made available through the new stock issues and profit accumulation. And this tendency has become more noteworthy since the termination of the Pacific War. In studying the Japanese stock market, therefore, this notable feature should not be overlooked. Let us dwell on this point on the basis of Table 1.

Position and Scale of Securities Market

Before the war, industrial funds were raised largely through net worth with the funds by virtue of stock issues accounting for nearly 40.0% of the total. After the war's termination, however, dependence on external funds through loans has become overwhelming, especially the loans from banking institutions which now have reached about 50.0% of the total amount of funds employed. On the other hand, the amount of funds obtained through the securities market has dwindled to about 10.0%, or less than 15.0% even inclusive of funds acquired through corporate bonds. The recession of dependence on stocks in other words means the dwindling importance of the stock market, and this phenomenon is attributable to the following reasons:

(1) With accumulated funds lost during the war, Japanese enterprises stood in need of enormous funds for postwar recovery, and they were unable to obtain necessary funds without depending on financial assistance based on the Treasury funds and monetary institutions:

(2) As a result, business grew inflationary, and it became still more advantageous for enterprisers to rely on loans:

(3) In 1949, measures were taken for the conquest of inflation on the basis of the so-called "Dodge Line" policy through the contraction of financial operations, and the weight of monetary institutions was accordingly raised.

1. Supplies of Industrial Funds

	1934-36 Average Amount*	%	1956 Amount**	%	1959 Amount**	%
Net Worth-						
Stocks	996	39.5	2,567	9.9	3,410	10.8
Reserves	571	22.7	3,520	13.6	2,600	8.2
Depreciation	693	27.5	4,280	16.5	6,300	19.9
Subtotal	2,260	89.7	10,367	40.0	12,310	38.9
Loaned Funds-						
Financial Funds.	15	0.6	1,034	4.0	1,941	6.1
Loans from monetary institutions	237	9.4	13,787	53.2	15,992	50.5
Corporate Bonds	8	0.3	748	2.9	1,424	4.5
Subtotal	260	10.3	15,569	60.0	19,357	61.1
Total	2,520	100.0	25,936	100.0	31,667	100.0

Notes: *million yen: **100 million yen.
Source: Ministry of Finance.

In these circumstances, the recovery and reconstruction of Japanese enterprises were realized with the aid of monetary institution with the result that the capital composition of enterprises became aggravated, as shown in Table 2. Before the war in Japan (as in the United States and the United Kingdom), the ratio of net worth in the composition of capital stood at 6 against liabilities' 4. After the war, the position was reversed with net worth at 4 against 6 for liabilities.

2. Composition of Assets & Liabilities

(In percentage)

	Japan 1934-36 Average	Japan 1959	U.S. (1956)	U.K. (1957)	W. Germany (1955)
Assets-					
Current Assets	31.0%	44.3%	36.1%	53.3%	45.7%
Fixed Assets	69.0	55.7	63.9	46.7	54.3
Capital-Liabilities-					
Short-term Debts	—	18.6	1.1	3.5	—
Long-term Debts	4.5	16.1	1.2	8.8	16.7
Corporate Bonds	16.2	4.5	20.3	2.7	—
Others	18.2	28.3	16.9	25.7	40.2
Subtotal	39.3	67.5	38.5	40.7	56.9
Net Worth-					
Capital	46.3	14.1	25.2	26.5	23.9
Others	14.4	18.4	35.5	32.8	19.6
Subtotal	60.7	32.5	61.5	59.3	43.1
Total	100.0	100.0	100.0	100.0	100.0

Source: Mitsubishi Economic Research Institute.

3. Economic Indicators and Stock Market

	1934-36 Average (A)*	1959 Actual**	1959 Adjusted to 1934-36 Average (B)*	B/A
Distributable National Income	14,400	96,787	27,810	193.1
BOJ Note Issue	1,752	10,294	2,958	168.8
All Banks Accounts-				
Deposits	13,182	74,137	21,279	161.4
Loans	9,116	68,028	19,526	214.2
Industrial Bonds Total	2,675	5,407	1,552	58.0
Banking Bonds Total	1,921	8,234	2,363	123.0
Paid-up Capital (of all corporations)	22,570	24,800	7,118	31.5
Turnovers at Tokyo Securities Exchange	9,677	37,081	10,643	100.1
Turnovers at All Stock Exchanges	27,952	55,889	16,042	57.4
Current Value of All Stocks Listed with All Stock Exchanges	21,092	38,205	10,966	52.0

Notes: *million yen; **100 million yen; Adjusted on the basis of Bank of Japan Wholesale Price Indices (1934-36 Average at 100—1959 at 347.5).
Source: *The Oriental Economist.*

In other words, the stock market has been almost completely ignored, as more concretely shown by figures in Table 3. The annual average of national income in the prewar (1934–36) period stood at ¥14,400 million, but it soared to ¥9,678,000 million in 1959. Adjusted to commodity price increases in the interim, the 1959 national income stands at ¥27,800 million, or an increase of 93.0% over the prewar average. On the basis of same calculations, the Bank of Japan note issue and the deposits and loans of all banks throughout the country in 1959 were 60.0% and two-fold larger than prewar, respectively. Although not shown in the table, industrial production (mining and manufacturing inclusive) in 1959 was tripled, and the living standards in the city and agrarian communities also rose by 30–40%. As compared with notable increases of such major economic indicators, however, the gains of figures concerned with the stock market have been strikingly meagre, or almost nil. For instance, the volume of transactions at the Tokyo Securities Exchange

has barely returned to the pre-war level, but the combined total of turnovers at all securities markets throughout the country has only eclipsed half the prewar total. In short, the rally of the Japanese stock market alone has been by far retarded as compared with the spectacular recovery of the Japanese economy.

2. Policy Restrictions on Securities Market

It should be noted in this connection that the low position of the Japanese stock market has not been solely due to specific circumstances after the war, but partly attributable to the process of modernization in this country since the Meiji era. Especially responsible was the economic policy which attached first importance to the fostering of monetary institutions, which have played the role which should have been assigned to the stock market. For example, the Industrial Bank of Japan or the Japan Hypothec Bank was authorized to float banking bonds for raising industrial funds. At the same time, the controlling power of monopolistic Zaibatsu banks such as the Mitsui Bank and the Mitsubishi Bank was colossal much to the discouragement of the normal growth of the stock market. Stocks of Zaibatsu concerns (mostly leading industrial and business firms) were monopolized mostly by the Zaibatsu families or holding companies controlled by them, and the funds required by such concerns were accommodated within the restricted arena of Zaibatsu circles without being raised through the stock market. The stock market was first inaugurated in Japan in 1878, but the number of blue-chip stocks listed with the stock market was miserably restricted, as all the key companies were affiliated with the Zaibatsu. Moreover, the method of transactions at the stock market was highly speculative in the absence of normal business, and the stand of monetary institutions was accordingly bolstered.

After the war's termination, however, such peculiar trends were almost completely rectified, as the Zaibatsu was dissolved, and the stocks concentrated to the Zaibatsu and key enterprises were distributed to the "masses" under the provisions of the Economic Power Decentralization Law; and 2) The stock market, which was reopened in 1949, was confined to spot transactions to the exit of term settlements which were common before the war. With speculative transactions thus curbed on the one hand, a series of encouraging measures were adopted such as tax privileges for dividend income the abolition of the stock transfer on the other for the "democratization of the securities market."

4. Expansion of Capital of Companies with Shares Listed with Tokyo Securities Exchange

(In million yen)

Year	No. of Firms	Capital at year-end	Capital per firm	Increase over preceding year
1949	519	76,372	147	—
1950	581	117,362	202	37.4
1951	553	154,198	279	38.1
1952	571	235,142	412	47.7
1953	586	362,833	612	48.5
1954	592	479,291	810	32.4
1955	591	570,518	965	19.1
1956	597	765,442	1,282	32.8
1957	602	998,804	1,661	29.6
1958	599	1,183,633	1,976	19.0
1959	602	1,393,909	2,315	11.7

Source: *The Oriental Economist.*

With the progress of the so-called "Dodge Line" policy (started in 1949), however, the position of the stock market began to tend downward again. This trend grew particularly conspicuous following the establishment later of the Japan Development Bank and the enactment of the Lont-Term Credit Banks Law, as the formula of raising industrial funds again started to give priority to monetary institutions. The growth of the stock market thus was obstructed. The retreat of restrictions on the possession of stocks by juridical persons through the alleviation of the Anti-Monopoly Law and the revival of tax privilege to deposits with monetary institutions were also new deterrents to the sound growth of the stock market.

There are some other deterrents which have prevented the functions of the securities market as the issue market. The average capital per company of the concerns with their stocks listed with the Tokyo Securities Exchange as of the end of 1959 stood at ¥2,315 million, a 15–16 fold increase over the average of ¥147 million at the time it was reopened after the war. But the combined total capital of these companies at about ¥1,400,000 million as of the end of 1959 was still too small. As noted in Table 2, the amount of capital of listed companies stood at 46.0% of total liabilities and net worth used before the war, but the ratio declined to 14.0% after the war. In order to restore this ratio to 40.0%, the present total of capital should be increased at least to around ¥3,000,000 million, or about double the present total capital. Thus, the further capital expansion of Japanese enterprises will become increasingly important. Considering various demerits such as the interest payment for loans, the dividend rate for stock capital and the juridical tax payment for the profits necessary for dividend payments, however, Japanese corporations consider it more advantageous to depend on loans. So long as this problem was amicably solved, therefore, any bulky increase in capital appears unlikely. With the volume of stocks thus restricted, Japanese stock prices usually carry heavy premiums for capital expansion.

5. Distribution of Stocks

	March, 1951		March, 1959	
a) By Type of Owners (in million shares)-				
Monetary Institutions	325	(12.6)	6,531	(29.0)
(Investment Trust)	—		1,484	(6.6)
Securities Merchants	307	(11.9)	987	(4.4)
Other Juridical Persons	285	(11.0)	3,758	(16.7)
Individuals	1,582	(61.3)	11,046	(49.1)
Total (including others)	2,581	(100.0)	22,519	(100.0)
b) By Number of Shares Owned (in 1,000 holders)				
Less than 100	1,296	(27.0)	816	(8.3)
100-499 shares	2,627	(54.7)	2,302	(23.3)
500-999 shares	479	(10.0)	2,935	(29.7)
1,000-4,999 shares	354	(7.4)	3,515	(35.6)
5,000-9,999 shares	21	(0.4)	299	(2.9)
Over 10,000 shares	24	(0.5)	20	(0.2)
Total	4,800	(100.0)	9,887	(100.0)

Note: Percentages in total parenthesized.
Source: Ministry of Finance.

Investors at Stock Market and Transitions of Stock Quotations

Let us now turn to the "investor stratum" in the Japanese stock market. As stated elsewhere, the distribution of stocks in the Japanese stock market was subjected to a drastic change after the war due to the dissolution of the Zaibatsu, the enactment of the Anti-Monopoly Law

and other new developments, resulting in the possession of a larger volume of shares by smaller investors. With privileges to the stock market steadily withdrawn, however, stocks have gradually begun to turn back to monetary institutions and key industries. In the interim, the number of stocks per shareholder has increased, partly because of increases by capital expansion. As of 1951, the per capita average of stocks held stood mostly below 500 shares, but the average was boosted by about 10 fold to 5,000 shares in 1959. In the interim, the number of individual shareholders increased from 1,580,000 to 11,000,000 a notworthy trend indicating the popularization of stock investments.

6. Monthly Dow Jones Averages of 225 Pivotals Listed with Tokyo Securities Exchange

(In yen)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Jan. . . .	178.66	414.39	361.49	370.74	426.40	572.80	505.90	676.26	932.08
Feb. . . .	188.43	433.29	360.56	374.82	429.71	573.99	528.61	703.97	986.08
March . .	183.30	360.54	336.16	354.69	444.29	567.73	528.62	742.27	1028.07
April . .	191.35	328.62	331.93	351.39	471.86	587.55	548.87	755.32	1077.59
May . . .	211.16	350.92	328.77	349.83	480.56	547.58	560.34	776.92	1052.95
June . . .	235.34	340.34	335.77	354.47	502.21	524.70	574.70	809.95	1046.46
July . . .	252.42	358.93	340.65	355.56	498.80	495.59	571.11	832.30	1102.12
Aug. . .	257.81	401.94	339.28	377.48	502.03	511.93	585.00	863.12	1136.12
Sept. . .	259.61	429.59	352.76	386.16	487.24	532.32	588.40	893.43	1197.53
Oct. . . .	296.83	435.63	340.50	401.47	496.19	517.76	604.36	934.99	
Nov. . . .	336.39	425.55	324.51	401.53	532.76	503.79	622.30	948.98	
Dec. . . .	356.77	411.06	337.14	409.81	552.89	490.77	648.44	923.78	

Source: Tokyo Securities Exchange.

Following the transitions of share prices (Table 6), it was noted that the stock quotations were comparatively low in 1949 through 1950, tended upward in 1951 through 1952, dived again in 1953 through 1954, stiffened in 1955 through 1956, grew lethargic in 1957, and have continued strong since 1958. It is thus noted that ups and downs so far have come almost regularly at the interval of two years. It is noted that the transitions of stock quotations have moved parallel with business transmutations. In 1949 through 1950, runaway inflation was being subdued through the operation of the "Dodge Line" policy with the national economy taking a new leap in 1951 through 1952 because of the "Korea War" boom. The tight-money period followed in 1953 through 1954 under the impact of deflation, with the bonanza years coming in the wake in 1955 through 1956. A reactionary depression came in 1957 with the recovery period following in 1958 through 1959. Through such processes, the Dow Jones average of 552 pivotals at the Tokyo Securities Exchange has swelled by more than 7 fold since the reopening of the stock market after the war. Since 1958, the semi-chronic cycle of ups and downs at every two years has ceased to prevail, and the average has continued moving upward almost without break. The latest phenomenon is taken to indicate the markedly rapid tempo of Japan's economic growth rate, featured by a new business cycle with a longer period of a boom and a shorter period of a depression. Taking into account also the dwarfed scale of the Japanese stock market today as compared with prewar, it may be said that the Japanese stock market is bound to make a full-fledged growth from now.

Taking Stock of Japanese Corporations

New Capital Issue at Par Value

Of some specific features of Japanese joint-stock companies peculiar to alien investors, the following three are more noteworthy, namely: stock issue at par value; the existence of revaluated reserves; and the adoption of various other reserves and tax privileges.

1) In Japanese joint-stock company circles, the conception of no-par stocks or stock issue at current value is almost completely absent. Stocks are issued mostly at par (the par value of ¥50 per share in the past, but mostly at the par value of ¥500 per share in the case of stocks opened to public subscription in recent years). In most cases of capital expansion, therefore, there are "capital expansion" premiums, corresponding to the margins between the prices of the shares to be paid in and their current values. On the spur of the energetic growth of the Japanese economy in recent years, many Japanese corporations increased their capital, and stocks in the market with capital expansion premiums taken into account have been bought up to comfortably high price levels. Thus, it has become necessary to calculate the yields (the relations between share prices and dividends) from a different angle. In Western countries, the yields may be easily computed on the basis of the share prices and the amount of the dividend per share. In Japan, on the other hand, such a simple process of calculation does not apply, as the current value of shares stands well higher than the par value with capital expansion premiums taken into consideration. To make out actual yields, the calculation should be based on the prices of shares ex rights vis a vis the possible changes of dividends after capital boosts. Since the early part of 1960, however, the formula of issuing stocks at par has come to attract the attention of Japanese corporations in Japan, and the method has been adopted, although within the restricted range, to open a certain comfortable part of newly-issued stocks to public subscriptions at the prices close to current stock quotations on the market, after setting aside the portion to be allocated to existing shareholders. Even in such cases, however, the right of existing shareholders to accept newly-issued shares is highly respected, and the privilege of existing shareholders to subscribe to such shares opened to public subscription is recognized by priority, or the attempt is made to check the issue prices as low as possible for them.

In following the prices of Japanese stocks, it is often noted that the share prices on the market appear to stand at the levels considerably high considering the amount of dividend given per share. It should be borne in mind, however, that such share prices in the market are set by taking into consideration the incidental advantages resulting from new stocks issued at par in prospective capital expansions.

Revaluated (Assets) Reserves

In 1950, the Government took a measure to revaluate the prices of mechanical equipments and other assets whose value had declined sharply under the impact of postwar inflation to accelerate renovation. The revaluated reserves of Japanese corporations represent the differences between the book value of such assets before revaluation and the book value after revaluation. Such differences in character are to be incorporated into capital, but are classified under the heading of the capital reserve account (together with capital reserves) in the balance sheet. The revaluated reserves may be used in the following three cases: a) When a loss was incurred in the sales of the assets concerned; b) In case of small capital expansion through share dividends; and c) In case of ordinary capital expansion to be made partly through share dividends. In the understanding that revaluated assets reserves, belonging to the capital account, should belong to shareholders, consideration is given to use them for the benefit of shareholders. Thus, the companies carrying large revaluated reserves are well prepared against future losses and are in the position to lighten the burden of share payments in future capital expansions. Incorporation of revaluated assets reserves into capital is being encouraged through the enactment of the "Industrial Capital Replenishment Law," under which a dividend in excess of 15.0% per annum is banned unless 30.0% of the revaluated assets reserves is incorporated into capital.

Corporate Tax Privileges

Among Japanese enterprises, the ratio of net worth is comparatively low (31.22% for 516 leading corporations in the first half of 1959). Hence, enterprisers as well as the Government are taking various measures to rectify the situation. Regarding the encouragement of internal reserves, it is noted that there is a comfortable gap between the declared profit and the actual profit. The Japanese taxation system for corporations (including the corporate tax) as well as the system of tax exemptions for them are extremely complicated, but tax privileges to corporations are sufficiently warm, although the tax rates in general are high. In connection with ordinary depreciation to be carried out by Japanese corporations, the limits of lega exemptions and the amounts of depreciation to be mad are generally mentioned on the balance sheets, but the also receive tax privileges for specific assets and in specia cases like imported machinery subject to a separate de preciation formula.

Among major tax privileges is the tax exemption applie to "new" industrial products. The sales income of such "new" industrial products is tax free for the priod o three years for the sound growth of such new industries Hence, the tax burden on such new industries is light i the initial three years, but the tax impact will become heavier after the lapse of the three transitionary years Tax privileges are also extended to the bad debt reserve, the retirement allowance reserve and the price fluctuation reserve.

Other Features

As one of other special features of Japanese corporations, the affiliation to the "Zaibatsu interests, semi-traditional since before the war, is worthy of close note. The Zaibatsu organizations themselves were dissolved under the provisions of the Anti-Monopoly Law and the Excessive Economic Power Deconcentration Law, and there are no longer the holding companies which held away in prewar days.

The movements to allay corporations with the leading "konzerns" like Mitsui, Mitsubishi, Sumitomo, Furukawa and Nitto through business tieups, personnel exchanges, stock investments or financial supports have become notably active, and enterprises linked with these "konzerns" in some way or the other enjoy special advantages. Hence, in order to take closer stock of Japanese corporations, it is necessary to get acquainted with various phases of their operations in addition to mere sales and profits, such as major stockholders, the past careers of members of the board of directors, correspondent banks, and major customers; in other words, their interrelations with the (former) Zaibatsu interests. It is equally essential to be informed of the size of floating stocks by studying the distribution of shares, and to be versed in the fluidity of shares by following the movement of turnovers at the securities exchanges.

ADR Problem in Last Stage

Morgan Takes Initiative

The postwar recovery of the Japanese economy has been spectacular. Despite the swift tempo and large scale of the postwar economic revival, however, the accumulation of capital has not been sufficient. Naturally, Japanese financiers and industrialists have been endeavoring to induct capital from overseas sources, particularly the United States. Until quite recently, the flotation of foreign bonds was the major means of raising funds overseas. In the flotation of Japanese bonds in foreign markets, First Boston, a noted financier in the United States, has been playing a cardinal role. It was under the auspices of First Boston that a group of leading American financiers visited Japan in June, this year to study investment potentials here. With First Boston already active in Japan, Morgan Guaranty Trust Co., one of the foremost rivals of First Boston, had its own plan. On June 18, Regis E. Moxley, assistant vice-president of Morgan Guaranty Trust in charge of ADR (American Depository Receipts) operations, came to Japan to study the possibility of issuing ADR in this country against Japanese stocks as collateral. Some of Japanese securities merchants have been taking

interest in the ADR system for some time, but they were not sufficiently versed in the operation of this system. Thus, the visit of Mr Moxley has brought the ADR problem suddenly into the limelight in Japanese financial and industrial circles. Shortly later, leaders of noted American financial institutions (such as Chemical Bank, New York, Irving Trust, and the First National City Bank of New York) came to Japan in rapid succession. A keen race among the four American financial houses for ADR operations in Japan ensued.

Race Among Japanese Banks

Parallel with the intensified competition among the "Big 4" American financiers in Japan for ADR operations, a keen race has also been staged by Japanese banks for the designation as the banks assigned with having the custody of ADR certificates. The problem of designation has come to be more hotly discussed after Morgan Guaranty Trust specified the Bank of Tokyo alone as its choice. The offensive by the 11 major exchange banks (including the Industrial Bank of Japan) against the Bank of Tokyo started when it came to be generally rumored in the market that stocks of 15 key companies are under consideration as the "candidates" for the first group of "ADR shares". The 11 companies are: Yawata Iron & Steel, Fuji Iron & Steel, Hitachi Ltd., Matsushita Electric Industrial, Mitsubishi Electric Mfg., Sony, Oki Electric Industry, Sumitomo Electric Industries, Toyota Motor, Nissan Motor, Canon, Toyo Rayon, Tokyo Marine & Fire Insurance, Asahi Glass, and Nippon Sheet Glass.

It was in these circumstances that C. Kerson (?) of Chemical Bank, New York, another specialist in ADR, visited Japan to let it be known that his bank is ready to deal with all leading exchange banks. At the request of Chemical Bank, all the exchange banks concerned recommended the stocks of key Japanese corporations closely affiliated to these banks for ADR operations in Japan. In recommending these Japanese stocks, the 11 exchange banks were wise enough to make it known that the ADR operations through the Morgan Guranty Trust-Bank of Tokyo tieup should preferably be excluded from these recommended stocks. Thus, the position of the Morgan-Tokyo tieup has been comparatively weakened, as the initiative taken by Morgan Guaranty Trust was apparently in regard of the "possible competition among Japanese exchange banks." Irving Trust Co., the third of American financiers to send its representative to Japan for the ADR problem, attempted to come into contact with Japanese Zaibatsu banks (including trust and banking corporations). These trust and banking corporations, at first negative in their approaches to the ADR issue, later began to claim that they are best suited for handling ADR business because of the complicated procedures involved in its operations. They were, however, finally persuaded by major city banks to which they are affiliated into making proper adjustments with exchange banks in the selection of key stocks "to run" for the final designation as ADR stocks. Thus, the curtain is due to drop on the ADR drama soon with the final choice of ADR stocks whose number will be restricted.

Finance Ministry Cautious

"Candidate" stocks recommended by exchange banks and trust and banking corporations have thus been numerous. Out of them, about 10 stocks of high calibre on the domestic markets or of high international reputation will be finally chosen. One of the notable fact is that some stocks, like Hitachi, Ltd., has been recommended by four banks (Fuji, Sanwa, Dai-Ichi and Tokyo), well showing the race among leading banks to place key industrial companies on the list of their major customers. In the final choice of stocks to be placed on the ADR list, the attitude of the Ministry of Finance is worthy of close note. Director Kaya of the Exchange Bureau of the Ministry, who returned from the United States in October after a series of conferences with American experts on ADR, stated that there are still many points to be studied regarding the enforcement of the ADR system, and it appears difficult to have the system operated at an

ADR Stocks Recommended by Sub-Trustee Banks

Sub-Trustee Banks	Trustee Banks	Stocks Recommended for ADR
Bank of Tokyo	Morgan	Yawata Iron & Steel, Fuji Iron & Steel; Mitsui Bussan; Hitachi; Mitsubishi Heavy Industries, Reorg.; Toyota Motor; Sony; Canon
Japan Development Bank	Chemical N.C.B.	Fuji Iron & Steel; Kansai Electric Power; Nissan Motor; Yawata Iron & Steel; Tokyo Gas; Osaka Gas; Toa Nenryo; Chubu Electric Power
Fuji Bank	Chemical	Showa Denko; Oki Electric; Canon; Yokogawa Electric; Toyo Rayon; Nippon Seiko; Taisei Construction
	Irving	Marubeni-Iida; Hayakawa Electric; Nippon Reizo; Riken Optical; Hitachi, Ltd.; Yawata Iron & Steel
	N.C.B.	Mitsui Bussan; C. Itoh; Nissan Motor; Nisshin Spinning; Kubota Iron Works
Mitsubishi Bank	Chemical	Mitsubishi Shipbuilding & Engineering; Mitsubishi Heavy Industries, Reorg.; Mitsubishi Oil; Asahi Glass; Ajinomoto; Kirin Brewery; Mitsubishi Shoji; Tokio Marine & Fire; Mitsubishi Rayon
Sanwa Bank	Chemical	Hitachi, Ltd.; Hitachi Shipbuilding & Engineering; Hitachi Machinery; Maruzen Oil; Toyo Kohan
Sumitomo Bank	Chemical	Sumitomo Metal Industries; Sumitomo Metal Mining; Sumitomo Chemical; Matsushita Electric Industrial; Takeda Chemical Industries; Nippon Electric; Asahi Chemical; Nippon Sheet Glass; Asahi Brewery
Tokai Bank	Chemical	Nippon Gaishi; Chubu Electric Power; Toyota Motor; Nagoya Railroad; Nippon Denso
Dai-Ichi Bank	Chemical Irving N.C.R.	Kawasaki Steel; Nippon Breweries; Ishikawajima Heavy Industries; Toyo Spinning; Hitachi, Ltd.; Yokohama Rubber; Kawasaki Heavy Industries; Fuji Electric; Asahi Electro-Chemical; Nippon Light Metal; Kyowa Fermentation; Fuji Tsushinki
Mitsui Bank	Chemical	Mitsui Bussan; Tokyo Shibaura Electric; Mitsui Metal Mining & Smelting; Sony; Mitsui Chemical; Nippon Iron Works; Toyo Rayon; Toyota Motor; Dainippon Celluloid; Jujo Paper; Onoda Cement; Tokyo Electric Power; Kansai Electric Power; Chubu Electric Power
Nippon Kangyo	Chemical Irving	Nippon Express Nisshin Flour Milling; Nippon Kokan; Mitsubishi Electric; Denki Kagaku Kogyo; Hokuriku Electric Power; Mitsui Shipbuilding & Engineering
Daiwa Bank	Chemical	Kansai Electric Power; Osaka Gas; Kubota Iron Works
	Irving	Nippon Metal Industry; Sekisui Plastics; Tokushu Seiko; Shikishima Spinning; Nippon Catalytic Chemical; Nakagawa Electric
Mitsubishi Trust & Banking	Irving	Mitsubishi Chemical
Sumitomo Trust & Banking	Irving	Sumitomo Electric Industries
Mitsui Trust & Banking	Irving	Fuji Photo Film; Iwaki Cement; Mitsui Bussan
Yasuda Trust & Banking	Irving	Nippon Breweries
Toyo Trust & Banking	Irving	Teikoku Rayon

Notes: As there have not yet been any formal announcement by the banks concerned, the companies selected here are only suppositions. The final nominations will be made from the companies here represented.

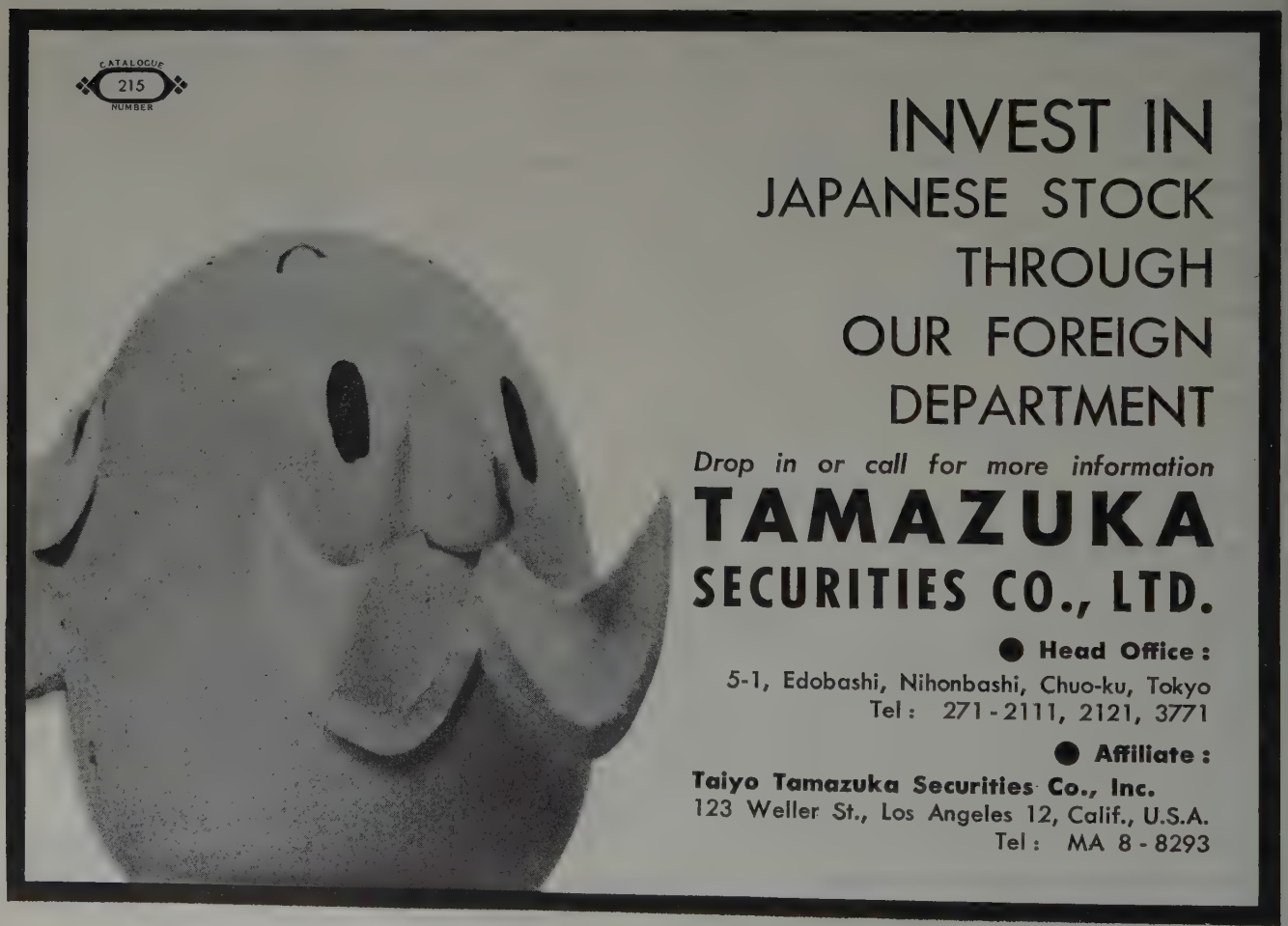
early date. According to Mr. Kaya, the number of the variety of stocks to be placed on the ADR list should be very carefully studied and restricted, as there are only 10 stocks on the similar list even in West Germany. In other words, it appears to be the policy of the Ministry of Finance to place just as few stocks as possible on the ARD list at first for a test, and to increase the number later when the sales are satisfactory enough.

With the Ministry of Finance adopting such an attitude, the tax problem also presents a deterrent. In the case of Americans, those residing in the United States or U.S. juridical persons, there will be no difficult problem, as they are free from tax under the legal arrangements between Japan and the United States. The proplem remains with other persons possessing ADR. If the revision of the taxation system becomes necessary, some complicated parliamentary procedures will be involved, and the date of adoption of the ADR system may be further delayed.

Other Problems

There are also some problems specific in Japan. The first problem in this connection is the method of calculating the length of time regarding the restrictions on remittance of principal by foreign investors. In case some specific stocks have been chosen for the ADR list, such investors, already possessing such stocks, may deposit the stocks with sub-trustee Japanese banks, and get ADR issued by trustee banks in the United States. In such cases, the names of the owners of the original stocks are changed to those of sub-trustee Japanese banks when they are deposited with the banks by foreign investors. Such foreign investors may have possessed the stocks in question for some years, that is, long enough for the lifting of remittance restrictions on principal. When such ADR stocks are deposited with the Japanese banks concerned, however, the period of restrictions is calculated anew (to be left untouched for two years with the annual remittance of one-third thereof to be allowed later). Thus, American investors possessing the (prospective) ADR stocks will as a result hesitate to have them deposited with the Japanese banks concerned.

The second problem is a series of obstacles in the actual transactions of ADR stocks. In the purchases of ADR stocks in Japan by foreign investors, the restrictions on the ratios of Japanese stocks to be obtained by aliens stand in the way of ready turnovers while the restrictions on the remittances of principal obstruct the selling operations. In other words, the volume of Japanese stocks which foreign investors may acquire through the market is legally restricted to 15.0% of all issued shares (10.0% in case of public utilities stocks), but the actual restrictions stand at 5.0% for each foreign investor. This will offer another deterrent. The problem of using the rights pertaining to capital expansion and the acceptability of subtrustee banks may also offer new dampers. For all these obstacles, however, the realization of the ADR system in Japan is after all the question of time.



Ajinomoto Co., Inc.

President .....*Toyonobu Domen*
Capital *¥3,444,000,000*
Settlement Terms .....*Twice annually, in March and September*
Dividend .....*¥12.5 per share per annum*
Principal Lines: *Manufacture and Sales of Monosodium Glutamate, Soybean Oil, Ajieki, Starch, Fertilizer, Tex Wall Board, Amino Acid, etc.*

Biography

The origin of Ajinomoto Co., Inc. is traced back to some 51 years ago when the late Saburosuke Suzuki, the founder of the Company, industrialized the production of monosodium glutamate discovered by the late Dr. Kikunae Ikeda, then professor of Tokyo University, and marketed it under the trade name of "Ajinomoto". The discovery of monosodium glutamate by Dr. Ikeda was made in 1907, was patented in 1908, and was first sold on the market in 1909. At the start, it was still a household industry using wheat bran as raw material, and the monthly production was restricted to about 750–1,125 kilograms. Ajinomoto grew into a modern industry in 1915 when the first plant was removed from Zushi (Kanagawa prefecture) to Kawasaki near Tokyo. It was about this time that Ajinomoto began to be exported to the United States, Formosa, Korea and the Chinese Continent. By 1937, the annual production of Ajinomoto increased to some 3,850 tons, although the output was affected by the outbreak of the Pacific War. In 1943, the production was totally suspended due to the heavy damage inflicted on the factory by airraids.

In 1946, immediately after the termination of the war, Ajinomoto made a fresh start under the name Ajinomoto Co., Inc. with its stocks opened to public subscription. Ever since, the annual production continued expanding on the spur of increasing demands both at home and abroad, and the output in 1959 totalled 13,586 tons, or some 3.5 fold the prewar peak.

Present Position

The Company is engaged in the production of foodstuffs with Ajinomoto at the helm with factories located in Kawasaki, Yokohama and Saga. The Kawasaki factory is assigned with the production of monosodium glutamate, and affiliated products including Ajieki (chemical soy sauce), amino fertilizer, Lecithin, as well as caustic soda and hydrochloric acid. Of those products, caustic soda and hydrochloric acid are not marketed, as they are just enough to meet the consumption at the Company's own plants. The Yokohama plant specializes in the manufacture of soybean oil and its affiliated products with defatted soy bean available used as raw material for making Ajinomoto. The Saga factory is devoted to the production of tex wall board. The sales of the Company for the half-year term ended March, 1960 totalled ¥15,028 million, comprising Ajinomoto (57% or 7,039 tons), soybean oil (11% or 8,427 tons), Ajieki (9% or 73,930 kls.), wheat starch (9% or 26,049 tons), defatted soybean (7%) and fertilizer (3%). The Company started marketing a new seasoning (Inocic acid) in October, 1960.

Ajinomoto, the main product of the Company is widely exported to overseas markets, including Hongkong, West Germany, Thailand, the Philippines, the Netherlands, the United States and Switzerland. For the half-year term ending September, 1959, export shipments amounted to 2,679 tons, and those for the March (1960) term reached 2,560 tons, or about 40% of the total sales. With the technical and financial support of the Company, a factory for monosodium glutamate is under construction in Thailand, and similar plants are being planned in the Philippines and Malaya. As the largest manufacturer of monosodium glutamate in Japan as well as in the world, the Company enjoys a unique position. In Japan, there are 13 manufacturers of monododium glutamate with the combined annual production reaching 17,379 tons in 1959, of which the output by the Company accounts for 80%, while the Company also accounts for 95% of the total exports of monosodium glutamate from Japan. The patent right of Ajinomoto expired in 1929, and many enterprisers have since endeavored to manufacture this product on a large scale, but without any success so far. In the United States, several companies are also engaged in the manufacture of monosodium glutamate, but the combined output of the top-ranking three firms amounts to about 80% of the production by the Company. Ajinomoto also ranks among the "Big 5" in Japan in the production of soybean oil.

Business Results

In the half-year term ended March, 1960, the Company sold ¥15,028 million for the declared profit of ¥1,538 million with the profit rate registering 10.3%. During the same term, the Company set aside ¥449 million for internal reserves and ¥34 million for special depreciation after paying ¥212 million for taxes. Thus, the actual profit of the Company for the term under review reached some ¥2,200 million. The Company is also unique as a corporation without any loans from outside sources.

The consumption of monosodium glutamate in Japan stands at 87.5 grams per capita annually (1959), of which some 30% is used by food food processors for business purposes, and the remaining 70% is bound for household use. With the household use of the product bound to increase at a faster tempo, the Company expects that the consumption will be doubled within the coming five years. Accordingly, the Company in July this year drafted a plan to double the annual production within four years. At the close of 1959, the production capacity at the Kawasaki plant was boosted from 1,300 tons to 1,500 tons with a new plan under way for the further boost to 1,800 tons by March, 1961. Other production expansion schemes will also be pushed at other plants of the Company. Thus, the future growth potential of Ajinomoto Co., Inc. as an outstanding manufacturer of food chemical products is amazingly high.

Ajinomoto's Business Results in Recent Years

Terms	Sales (¥ million)	Profit (¥ million)	Profit Rate (%)	Dividend (%)
Oct., 1958—Mar., 1959 . .	6,180	615	107	25
Apr., 1959—Sept., 1959 . .	13,861	1,348	117	35
Oct., 1959—Mar., 1960 . .	1,456	1,456	127	25

Ajinomoto's Scale of Business as of March 31, 1960

Authorized Capital Shares: 183,680,000
Issued Shares: 68,880,000
Capital: ¥3,444 million
Re-evaluation Reserve: ¥67 million
Number of Employees: 3,593
Number of Stockholders: 26,620
Major Stockholders (In 1,000): Daiwa Bank—3,047; Mitsubishi Trust & Banking—2,371; Shigeaki Suzuki—2,000; Osaka Securities Finance—1,289; Mitsui Trust & Banking—1,225.

Asahi Glass Co., Ltd.

President .....*Kan-ichi Morimoto*
Capital *¥8,000,000,000*
Settlement Terms .....*June 30 & Dec. 31*

Dividend .....*¥9 per share per annum*
Principal Lines: *Sheet glass, soda ash, caustic soda, ammonium chloride & refractory bricks*

Biography

Established in 1907 by the late Mr. Toshiya Iwasaki, one of the founders of the Mitsui kingdom, this is the oldest and largest sheet glass maker in Japan. In 1909, sheet glass was first manufactured by the Belgian process at the Amagasaki Plant. Due to encouraging results and promising outlook, the Makiyama Plant was built in 1914 and the Tsurumi Plant in 1916, both adopting the Lubbers process. Later, the Makiyama and Amagasaki plants converged to the Fourcault process, and the Tsurumi Plant to the Pittsburgh process (the latter, however, now operates the Fourcault process).

In 1918, the company took part in the joint establishment of Nichibei Sheet Glass (at present Nippon Sheet Glass), which was also invested by Sumitomo interests and Libbey-Owens-Ford Glass (USA).

The company was a pioneer also in the soda industry. When soda ash supply got extremely short during the First World War, the sheet glass industry was plunged into a difficult position. In 1916, a soda plant was constructed in the compound of the Makiyama Plant, and it was put into operation in the following year. It was the first soda plant adopting the ammonia-soda process. In 1942, the company came to employ the electrolytic process as well.

During the Pacific War, the company merged itself with Nippon Chemical into Mitsubishi Chemical Industries. After the war, however, the big combine was deconcentrated, under the provisions of the Excessive Economic Power Deconcentration Law, into three minor firms, i.e. this company, Mitsubishi Chemical Industries and Mitsubishi Rayon.

Present Position

Major products are sheet glass, soda ash, caustic soda and refractories necessary for glass making. As for sheet glass, the company is the biggest maker, followed by Nippon Sheet Glass and Central Glass (a subsidiary of Ube Soda, jointly invested by Mitsui Bussan, Kyowa Hakko Kogyo and Onoda Cement). The last named has a very small capacity of 35,000 cases a month, and the other two have the combined capacity of 1,000,000 cases a month. And this company accounts for as much as 60% of the total production.

Such oligopoly in this line comes from two factors: i.e. 1) it is possible and advisable to introduce mass production, and 2) a large sum of money and a high degree of industrial technique are indispensable for production of sheet glass.

For soda production, the company now employs both ammonia-soda and electrolytic processes. It is striving for expansion of electrolytic plants. Including both processes, it is one of the largest soda makers.

The ammonia process has two drawbacks: namely, 1) chlorine cannot be used effectively, and 2) about 30% of the salt used as material remains not fully utilized. In recent years, however, requirements have been picking up for chlorine, so in the electrolytic process chlorine is assuming more importance than caustic soda. This is responsible for the current efforts for expansion of electrolytic soda production, while on the other hand the ammonia process is losing ground.

Such being the circumstances, the ammonium chloride-soda ash process has come to occupy the spotlight in the industry. In this method, chlorine available is used for production of ammonium chloride and, moreover, salt is utilized 100%. It is encouraging that demand has steadily been growing for ammonium chloride as fertilizer.

As a large amount of ammonia is needed for the ammonium chloride-soda ash process, it is essential for any maker to secure the supply of cheap ammonia. For this purpose, the company is reportedly planning to utilize natural gas available in Chiba Prefecture for synthesis of ammonia—the first attempt of this kind by makers adopting the ammonia-soda process. The Chiba Plant has been completed and put into operation. In this manner, the company is again taking the leadership in soda making technique.

Business Results

Sheet glass requirements have been on the steady climb. An increasing number of large buildings are under construction in urban areas, and sheet glass needs per unit floor space are increasing—two important factors for brisk demand. It is also to be noted that sheet glass is being used in greater quantity even in farm villages, where the remarkable changes in the way of daily life have led to the increasing construction of glass-windowed houses.

In addition, sheet glass exports are as brisk as ever. Little wonder that the company is enjoying good business.

In the second half of 1960, sales certainly will amount to upwards of ¥16 billion (compared with ¥15 billion six months ago). The profit rate is high, and the composition of assets is highly favorable. Thus, it is well possible for the company to keep the dividend rate at ¥9 per annum, but it is most likely that the company will declare a ¥8-a-year dividend in this term.

Growth Potential

In the field of sheet glass, the company will enjoy steady growth, though prospects won't be too bright for polished plate after the liberalization of foreign trade. Conditions are not so encouraging for soda business because the rationalization of the ammonia-soda process appears to have touched the upperlimit. Soda production by the electrolytic process will be boosted, while on the other hand utmost efforts will be made for 100% utilization of chlorine. Fruitful attempts will also have to be made for wider and better use of caustic soda.

For further expansion of its business scope, the company is planning to produce polypropylene glycol, etc. at the Yodogawa Plant from materials to be supplied by Mitsubishi Yuka. This project for organic synthetics is watched with great interest.

The company has already attained self-supply in ammonia in the ammonium chloride-soda ash process, and it will soon commence synthetic chemistry on an industrial scale. After all, the biggest sheet glass maker will gradually transform itself into an integrated chemical giant.

Canon Camera Co., Ltd.

President .....*Takeshi Mitarai*
Capital *¥1,600,000,000*
Settlement Terms .....*Twice annnally, in Jnne and December*
Dividend .....*¥5 per share per annum*
Principal Lines: *Mannfacture and Sales of Cameras, Optical Instruments, Precision Machines, Acoustic and Electric Instruments.*

Biography

The Seiki Kogaku Precision Machine & Optical Intrument) Laboratory founded in Azabu, Tokyo in November, 1933 is the predecessor of Canon Camera Co., Ltd. The laboratory was born for the purpose of studying the manufacture of high-grade small cameras of the Leica type. The first product of the Laboratory was marketed under the trade name of Kwanon in 1935, and the name was later changed to Canon. The laboratory was incorporated into a joint-stock company in August, 1937 under the name of Reiki Kogaku Industrial Co. During the war, the company was engaged in the production of optical instruments for military uses. In March, 1944, the Company merged Yamato Optical Co., Ltd., which now operates as the Company's Itabashi factory.

After the war's termination, the Company resumed production of "Canon Cameras" and "X-ray Canon Cameras" in October, 1945, and changed its name to Canon Camera Co., Inc. on September 15, 1947, which marked the 10th anniversary of the founding. In the initial stage after the fresh start, the Company catered mostly to the personnel of the U.S. Forces stationed in Japan, although the export sales began following the reopening of foreign trade in August, 1947. To cope with the expanding business, the Company moved its head office to Ginza in the heart of Tokyo in October, 1949, and later in November, 1951 to the present site in Shimomaruko. As its business expanded, its capital increased in parallel. At the time when the Tokyo Securities Exchange was reopened after the war (May, 1949), Canon Camera was capitalized at only ¥10,000,000. Through seven expansions which took place later, however, the Company has grown into a ¥1600 million firm (as of July, 1958). The Company is planning to erect a new plant in Toride Chiba perfecture to expand the equipments for the larger output of the Synchro-reader, the newest addition to its products (marketed in May, 1959).

Present Position

Cameras are the nucleus of the Company's business. With the first series of Canon Camera marketed in 1935, the Company has introduced many new models since, including Canon J (marketed in December, 1945); Canon S-II (1946); Canon II-B (1949); Canon III (1950); Canon IV (1951); Canon IV Sb (1947); Canon II-S and Canon II-D (1955); Canon V-T (1956); Canon T-V de luxe, Canon L-1, Canon L-2, and Canon L-3 (1957); Canon VI-L, Canon VI-T, and Canon VL-2 (1958); Canon P (Canon Populaire) and, Canon F (Canon Flex) (1959); and Canonnette (1960). All those new models, with the exception of the lastnamed two, are the 25 mm cameras equipped with focal plane shutters. The production of cameras in Japan in 1959 totalled 1,840,000 sets valued at ¥17,300 million, including 190,000 cameras equipped with focal plane shutters worth ¥4,300 million. Of the total, Canon Camera was responsible for 54,100 sets valued at ¥1,793 million, or 3% in quantity and 10% in value, The Company accounted for 28% of the total production of high-grade cameras in 1959 (42% in value). Of the cameras so far marketed by Canon Co., Inc., Canon Flex and Canonnette single-lens reflex cameras, equipped with lens shutters and electric eyes.

Canon Camera has been especially active for in its search for new products in order to tide over the stagnancy and excessive competition in camera fields. One of the results of this effort has been the Company's much tooted synchro-reader. With the debut of a similar but less expensive item from Riken Optical Co., however, the Company's synchroreader has not yet become a big contributor to the Compan's business as was originally expected. In its attempt to boost its sales of synchroreaders, Canon Camera has entered into sale contract with Tokyo Shibaura Electric to take advantage of the latter's sales network, while less expensive edition of the product is reported to be awaiting a cue for debut within the current year.

Canon's second most important product is exchange lenses. The Company succeeded in the production of lenses for the first time in July, 1939 and called it "SERENAR." Ever since, the Company's lenses have continuously enjoyed patronage among a variety of customers.

Semi-Annual Sales of Canon Camera Co., Inc.

Term ended	Cameras Q	Cameras V	Exchange Lenses Q	Exchange Lenses V	Synchro-readers V	Others V	Total value
June, 1951	4,815	144	6,930	85	—	53	282
Dec., 1958	17,800	792	9,990	141	—	245	1,178
June, 1959	27,450	791	8,130	115	104	262	1,272
Dec., 1959	39,330	1,078	9,710	133	55	324	1,590
June, 1960	50,790	1,382	9,640	128	16	395	1,921

Q . . quantity in units: V . . value in ¥100 million

Canon's Business Results
(n ¥100 million)

Term ended	Sales	Profits	Profit Rate (%)	Dividend (%)
June. 1957	1,235	113	57	6.25
Dec.. 1957	1,197	192	38	5.00
June, 1958	1,249	183	36	5.00
Dec., 1958	1,178	153	19	2.50
June, 1959	1,272	82	10	2.50
Dec., 1959	1,590	142	18	2.50
June, 1960	1,921	190	24	2.50

Business Results

The business of the Company has been faring well despite an apparent lull in the domestic demand for cameras. The sales for the half-year term ended June, 1960 totalled ¥1,921 million, as compared with ¥1,590 million for the preceding term. The high position of the Company in Japan is well demonstrated by the fact that its stock was selected by Morgan Guaranty Trust (U.S.) for the possible listing as ADR issues together with the stocks of seven other leading Japanese corporations some time ago.

Canon Camera's Scale of Business as of end of June, 1960

Authorized Capital Shares: 64,000,000
Issued Shares: 32,000,000
Capital: ¥1,600 million
Re-evaluation Reserve: ¥34 million
Number of Employees: 2,236
Number of Stockholders: 7,041
Major Stockholders (In 1,000): Dai-ichi Mutual Life Insurance—2,500; Japan Securities Finance—2,156; Shoei Silk—2,000; Yamaichi Securities—1,742; Mitsubishi Trust & Banking—1,702.

Fuji Iron & Steel Co.

President.....*Shigeo Nagano*
Capital.....*¥33,000,000,000*
Settlement Terms .....*Mar. 31 & Sept. 30*
Dividend .....*¥6 per share per annum*

Principal Lines: *Manufacture and sales of pig iron, crude steel, semi-finished and finished steel products, etc.*

Biography

This is the second largest steel company in Japan, next only to Yawata Iron & Steel. Both firms were established in April, 1950, when Nippon Iron & Steel, or a wartime national policy corporation, liquidated itself under the Excessive Economic Power Deconcentration Law. The company now operates three iron foundries at Muroran, Kamaishi and Hirohata and one steelworks at Kawasaki. The Muroran and Kamaishi plants are the oldest establishments in this line, built by Mitsui interests. The Hirohata Iron Works is an up-to-date plant constructed from 1939 through 1942 and originally composed of blast furnaces, open hearth furnaces and medium plate mills.

Present Position

In fiscal 1959, crude steel output tolalled 969,000 mt. at Muroran, 681,000 mt. at Kamaishi, and 1,310,000 mt. at Hirohata.

Controlling under its wings a large number of subsidiaries, the company now appears to have become a big "Konzern". Important related interests are: Daido Steel (capitalized at ¥3,150,000,000) and Kanto Steel (¥1,000,000,000), both manufacturing special steel; Daido Steel Sheet Mfg. (¥1,500,000,000), making steel sheets and galvanized iron sheets; Yamatao Seiko (¥700,000,000), specializing in plates; and Fuji Sanki Kokan (¥500,000,000), ranking third as steel pipe makers in this country. In addition, Nippon Electro-Metallurgical (¥660,000,000) and Toho Denka (¥450,000,000) are also under its orbit, both noted for their ferro-alloys.

In non-steel fields, the company controls Fuji Cement, Nippon Shokubai Kagaku (making phthalic anhydride, etc.) and Seitetsu Kagaku (jointly established by Sumitomo Chemical). The last named has recently been set up to undertake chemical business with coke over gas as material.

Among the related enterprises, the most important is no doubt Tokai Iron & Steel (capitalized at ¥2,500,000,000), which has been founded in close cooperation with financial interests at Nagoya and now is constructing a new ironworks on a reclaimed land in the southern area of Nagoya Harbor.

Of the total output in Japan, the company accounts for 30% of the total for blast furnace pig iron, 16.5% for crude steel and 16.7% for rolled steel (see Table 1). Its share is especially high for such steel products as rails, big shapes and wide strips. It is also manufacturing galvanized sheets and tin plates in fairly good quantities. Together with Yawata Iron & Steel, it far excels other makers not only in production capacity but also in well-integrated manufacture of various products.

Since the war's end, Japan's steel production has been increasing at the greatest rate all the world over. In the case of Fuji Iron & Steel, crude steel output totalled not more than 867,000 mt. in fiscal 1950, but the figure jumped to 3,003,000 mt. in fiscal 1959, or 3.4 times in a decade. In the same period, output rose 3.1 fold for pig iron and 3.6 times for rolled steel products. Stimulated by ever-brisker steel requirements, production is most likely to continue curving up as steeply as ever.

Business Results

When founded immediately after the war, the company was capitalized at ¥400,000,000. Boosted seven times, its capital now stands at ¥33 billion. Its sales bulged from ¥27,656 million in fiscal 1950 to ¥128,125 million in fiscal 1959.

In the six-month term closing with March, 1960, sales totalled ¥70,202 million and profits ¥4,352 million (before tax but after earmarking ¥7,400 million for depreciation). And the company declared a 12% dividend. With its capital in use totalling as much as ¥165.1 billion at the end of that term, it is really one of the biggest giants in Japanese industry.

Particularly conspicuous has been the progress of equipment rationalization since the war's termination: i.e. ¥23.5 billion invested from fiscal 1951 through fiscal 1955 for the first rationalization program, and ¥49.2 billion from fiscal 1956 through fiscal 1958 for the second rationalization and expansion program, covering the major stages of production, namely blast furnaces, open hearth furnaces and rolling mills. Without such vigorous rationalization and expansion, the afore-mentioned production increase could not have been carried out smoothly.

Growth Potential

The company now is working out a long-term equipment rationalization and expansion plan from fiscal 1959 through fiscal 1971. Funds necessary for it are scheduled at ¥245,394 million for this firm and at ¥118,120 million for Tokai Iron & Steel, or a combined total of ¥365,514 million.

Under this plan, two blast furnaces each with the daily capacity of 1,600 mt. are to be built at Muroran, and two others each with the capacity of 1,500 mt. a day at Hirohata; and iron and steel making and rolling facilities to be boosted in capacity at all works. Besides, Tokai Iron & Steel is to build five blast furnaces, each rated at 2,000–2,500 mt. a day, and its crude steel output in fiscal 1971 is to rise to 4,800,000 mt.

Including Tokai Iron & Steel, fiscal 1971 production is scheduled at 17,309,000 mt. for pig iron, 7,536,000 mt. for crude steel, and at 5,500,000 mt. for rolled steel products (See Table 2). This ambitious plan appears to symbolize the future growth of Japan's iron and steel industry.

Fuji Iron & Steel's Long-Term Expansion Plan

(In 1,000 mt.)

	Fiscal 1958 (Actual Output)		Fiscal 1971 (Schedule)	
	Crude Steel	Rolled Steel & Semi-finished Products	Crude Steel	Rolled Steel & Semi-finished Products
Fuji Iron & Steel				
Muroran	681	423	2,280	1,677
Kamaishi	557	400	696	535
Hirohata	1,068	727	2,400	1,698
Kawasaki	—	69	—	120
Total	2,306	1,619	5,376	4,030
Tokai Iron & Steel	—	—	2,160	1,470
Grand Total	2,306	1,619	7,536	5,500

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Hitachi, Ltd.

President .....*Chikara Kurata*
Capital .....*¥30,000,000,000 (to be upped to ¥50,000,000,000 in Feb. 1961)*
Settlement Terms .....*Mar. 31 & Sept. 30*
Dividend .....*¥7.5 per share per annum*
Principal Lines: *Manufacture and sales of electric machines, industrial machines, rolling stock, household appliances, communication equipment, chemical plants, etc.*

Biography

This company observes the 50th anniversary of its founding in 1960 as it made its debut as early as in 1910 as a repair shop for electric machinery and equipment attached to the Hitachi Mine of the defunct Kuhara Mining Works. In those days, Japan was quite dependent upon purchases from abroad in the case of heavy machinery and equipment, and the company has since been devoting itself for local development and manufacture of electric and industrial machinery and equipment. Its motto has been promotion of domestic techniques in this field.

During the Pacific War, the main plants at Hitachi suffered serious damages. But the company successfully carried out its postwar reconstruction and expansion programs, multiplying and bolstering all its business activities.

Current Standing

The company has thus become one of the biggest makers in Japan of not only electric machinery but also all sorts of machines and equipment. In the meantime, it has separated some of its main lines and set up two subsidiaries, i.e. Hitachi Metal Industry and Hitachi Wire & Cable. Besides, it has under its wings more than 40 related concerns, controlling and coordinating them, together with its own principal operations, from a unitary standpoint.

Since prewar years, the company has been noted for its research facilities and personnel. It has been strengthening its research activities more than ever since the war's end. The Hitachi Central Research Institute at Kokubunji, Tokyo, is staffed with over 600 experts and operated with the annual budget of more than ¥3 billion a year. It has already developed such equipment as electron microscopes (which have owned an international prize) and computers.

The company is planning to boost its capital from ¥30 billion to ¥50 billion on February 1, 1961. Thus, it will become the second largest private concern, next only to Tokyo Electric Power. In terms of sales turnover, it is vying with Yawata Iron & Steel to rank first or second. As profit earners, it is always occupying the firstplace. After all, it is one of the top giants in Japanese industry.

The company's recent advance in light electric machinery is especially noteworthy. In 1954, light machines comprised 10% or so of the total turnover, but five years later the share has markedly risen to 35%.

In heavy electric machinery and industrial machines, the company can boast of the largest scale of manufacture in Japan. It is fabricating not only large capacity thermal plants but also boilers, turbines, marine turbine engines, etc. Well equipped for both heavy electric and industrial machines, it is in a position to get orders not only from electric power companies but also from iron and steel works and many other industries. For instance, it has secured orders from Yawata Iron & Steel for large boilers, Sendzimir roll mills and a 1,000-MT-an-hour ore unloading machine.

It is also manufacturing chemical equipment, such as ammonia plants and gas compressors. So it is flooded with orders for up-to-date equipment in this line as investments are getting brisk in many chemical industries.

Business Results

In 1954, the company sold not more than ¥49 billion worth of products, but five years later or in 1959 its annual sales jumped to ¥162.9 billion, or 3.3 times. In the meantime, profits curved up from ¥2,788 million to ¥13,000 million, or rapid tempo of 4.8 times. From 1954 through 1955, a temporary recession set in due to the deflational depression, but the business growth in the following years has been something surprising for all electric machine makers. Tokyo Shibaura Electric, for instance, has found its sales having trebled in the past five years. In the case of Hitachi, the corresponding boost may be estimated as 3.3 fold if due account is taken of the afore-mentioned separation in 1957 of two main lines, i.e. Hitachi Metal Industry and Hitachi Wire & Cable (their combined sales comprising nearly 20% of the total turnover). Thus, it can be said to have enjoyed the biggest growth rate among electric machinery builders.

In the past business term ending with September, 1960, sales is estimated to have topped the ¥100-billion mark, and profits to have reached about ¥8.5 billion. Including business in the second half, the total in fiscal 1960 will sum up to nearly ¥220 billion for sales and ¥20 billion for profits.

Growth Potential

According to its long-run construction plan, the company in fiscal 1960 is planning to invest ¥27 billion for equipment expansion in such lines as heavy electric machines, light electric appliances, communication equipment and industrial machines. Five years hence, sales will be doubled. In order to attain this goal, equipment investments in the coming years shall be upwards of ¥20 billion a year. In view of such growth tempo and brisk capital requirements, it will not be long before the company will have to boost again its capital to ¥100 billion.

Abreast with the steady gain of energy requirements, power development projects will have to be stepped up more than ever, and necessary equipment will be in greater need than at present. Particularly active will be demand for ever-larger capacity thermal plants. In this respect, Hitachi appears to be in a more favorable position than even the Tokyo Shibaura Electric-Ishikawajima Heavy Industries combination and the Mitsubishi group (Mitsubishi Heavy Industries Reorganized, Mitsubishi Nippon Heavy Industries, Mitsubishi Shipbuilding & Engineering, and Mitsubishi Electric Mfg.), for it is well integrated and coordinated for manufacture of from turbines and boilers to generators.

Kansai Electric Power Co., Inc.

President .....*Yoshishige Ashihara*
Capital .....*¥31,500,000,000 (¥500 per share)*
Settlement Terms .....*Twice annually, in March & September*
Dividend.....*¥25 per share per annum*
Principal Lines: *Electric Power Generation & Distribution.*

Biography

Kansai Electric Power Co., Inc. was established in May, 1951 through the amalgamation of Kansai Power Supply Co., Ltd. and part of the Japan Electric Power Generation & Distributing Co., Ltd. The Company is engaged in the supply of electric power to a wide industrial and commercial area in the Chubu-Kinki districts of the Japanese mainland through generation at a number of water power stations located near the Rivers Kiso, Kurobe, Sho, etc. and thermal power stations situated in the Osaka Bay area. Japan's electric power industry is monopolized by the nine regional power companies.

Among the nine companies, Kansai Electric Power enjoys a predominant position (with Tokyo Electric Power Co., Inc.), accounting for 22.3% of the total in generation equipments and 18.8% in the sales of electric power. Major equipments of the Company together with the number of clients, the volume of power supply contracts and the number of employees are as follows:

Water Power Generation Equipments	1,563,000 kW
Thermal Power Generation Equipments	2,075,000 kW
Number of Clients	3,417,218
Power Supply Contracts	5,017,800 kW (25,679,066 lamps)
Number of Employees	23,405

Industrial Background

The Company is catering to the supply areas covering about 28,000 square kilometres (11,000 square miles) located in the Chubu (Central) and Kinki districts comprising the population estimated at 13,500,000. Located in these areas is the Han-Shin industrial belt linking Osaka and Kobe. Well reflective of the high standard of living and the animation of industrial activitiesin the areas, the demand for electric light and power has been energetic, and the Companiy's sales have increased at the annual rate of 11.8% since its inception. In fiscal 1959, the Company's sales reached 13,800,000 kWh, increasing by 20.4% over fiscal 1958, and up by 2.4 fold (144.6%) over fiscal 1951 when the Company was founded. The consumption per customer household registered 673 kWh annually in 1959.

The supply of industrial electric power has also increased at an annual rate of 12.5% since 1951, with the sales in fiscal 1959 swelling by 21.4% over 1958 principally because of the expansion of industrial production centered on iron and steel and chemicals, and reached 11,523,000,000 kWh. Noteworthy is the fact that customers for industrial electric power for the Company are larger consumers with the consumption exceeding 500 kWh. These customers in 1959 accounted for 60.4% of the total amount of electric power sold or 8,350,000,000 kWh. On the list of industries taking the heavier weights among customers are metals (20.0%), chemicals (9.9%) and electric railways (9.3%).

Profit Situation

In order to cope with the swelling demand, the Company has been placing first stress on extensive power generation operations. During the nine years since its inception, the Company newly developed 1,641,640 kW, including 432,640 kW in water power and 1,209,000 kW in the thermal power. As a result, the total generation equipments as of the end of March, 1959 registered 142 water power stations at 1,563,000 kW and 14 thermal power stations at 2,075,000 kW. Major power plants are the Maruyama plant (water) at 125,000 kW, Kurobe River No. 3 plant (water) at 81,000 kW, the Komaki plant (water) at 72,000 kW, the Osaka plant (thermal), the largest in the Far East, at 624,000 kW, the Shiozaki No. 2 plant (thermal) at 366,000 kW, the Himeji plant (thermal) at 266,000 kW, and the Tanagawa plant (thermal) at 150,000 kW.

Such development operations naturally cost much. In fiscal 1959, the Company invested the total of ¥246,500 million ($685 million) in plant-equipment replenishments. Funds necessary were raised by net worth (increasing capital expansion) by 52.0%, corporate bonds by 15.0% loans from overseas sources by 13.0%, and domestic loans by 20.0%. Dependence on net worth and long-term and stable loans is noteworthy. The total amount of loans contracted from overseas sources such as the World Bank, the Export-Import Bank (Washington) and Westinghouse Electric (U.S.) has so far reached ¥28,900 million ($80 million), a notable contribution to the power resources development projects by the Company.

Since its inception, Kansai Electric Power has been constantly devoted to rationalization of management through the renovation and rejuvenation of equipments and their economical operation. As a result, the power loss rate has been reduced from 32.6% in 1951 to 16.1%, and the heat effect rate has been raised from 19.3% to 30.4%, while the volume of power sold per worker has been elevated from 218,000 kWh to 587,000 kWh. In consequence, the profit situation of the Company has been markedly improved. In fiscal 1959 (settlement made twice a year), the net business revenue amounted to ¥80,070 million with the net profit (after tax) standing at ¥2,951 million, and the dividend per share registered ¥25.00 per share (10% annually for the par value of ¥500 of each share). The depreciation rate against the legally-set limit for fiscal 1959 stood at 184.8%, and the total depreciation since the Company's inception reached 21.28%. The net worth ratio of the Company as of the end of fiscal 1959 stood at 45.1% the highest among all power companies.

Growth Strength

With the spectacular growth of Japan's economic strength as its background, the annual demand for electric power (supplied by Kansai Electric Power Co., Inc.) is estimated to increase by about 2.7 fold to 43,000 million kWh in 1970 from the prospective total of 16,100 million kWh for fiscal 1960. In view of the rosy prospect, the Company is set to propel large-scale and positive power development projects in the future. According to the revised development plan, 34 new water-power generation spots will be developed for the maximum (licensed) generation of about 1,400,000 kW, side by side with 21 thermal power generation units aggregating the maximum generation capacity of about 4,900,000 kW by the end of fiscal 1970. In the field of atomic power, the Company also plans to develop 215,000 kW by a No. 1 plant. On the basis of this program, the work has already been started on the construction of plants for 520,000 kW in water power and 300,000 kW in thermal power. The work on the construction of an atomic power plant will be started in 1963 for the start of operation in fiscal 1968.

To finance all these construction operations under the present project, a huge total of funds is expected required, including about ¥447,800 million for water and thermal power generation, or the combined total of about ¥783,500 million, inclusive of transmission and distribution facilities, in 1960 through 1970. To cope with the situation, the Company is ready to continue increasing capital year by year. Issuance of corporate bonds and the induction of foreign capital are also planned by the Company with particular interest also taken in the ADR issues.

Matsushita Electric Industrial Co. Ltd.

President .....*Konosuke Matsushita*
Capital .....*¥15,000,000,000 as from Nov. 21, 1960*
Settlement Terms .....*May 20 & Nov. 20*
Dividend .....*¥11 (22%) per share per annum*

Principal Lines: *Manufacture and sales of radio equipment, household electric appliances, tubes and bulbs, motors, condensers, welders, batteries and cells, bicycle parts, etc.*

Biography

The history of this firm dates back to March, 1918, when Mr. K. Matsushita started making household electric appliances under his personal management.

In 1931, the company initiated manufacture of radio receivers. In the following years radio set production and sales increased by leaps and bounds, and this line came to comprise the largest portion of the total business.

Taking advantage of such brisk radio set sales, the company organized and bolstered a nationwide network of wholesalers and retailers. And this turned out the most important factor responsible for its steady growth in the following years.

In November, 1935, Matsushita was formally incorporated as a limited liability joint stock company, and its name was changed from Matsushita Denki Seisakusho to Matsushita Electric Industrial. With its capital at ¥10 million, it had 14 plants and 3,500 employees on its payroll, and it was already one of the leading manufacturers in the industry.

With the end of hostilities, encouraging events took place one after another for accelerated manufacture of civilian electric appliances: i.e. the Korean War in 1950, the opening of private radio broadcasting stations in 1951, and the commencement of television broadcasting in 1953. Thus, the company found its business snowballing steadily: in 1960 annual sales is estimated to have exceeded the ¥100 billion mark or one of the big businesses in Japan.

Postwar growth can well be seen in the rapid increase of capital and sales. At the end of 1949, the company was capitalized at ¥120 million, but it is planning to boost its capital to ¥15,000 million in November, 1960, or 125 times. Yearly sales has risen 40 fold from ¥2,000 million in 1949 to ¥80,000 million in 1959.

Since its incorporation, the company had been developing techniques all by itself. But in 1952 in entered into a technical and financial cooperation agreement with a world-famous Netherlands firm, *Philips*, and Matsushita Electronic Industry (capitalized at ¥660 million at that time and at ¥1,500 million at present) was set up under joint management (70% of its capital offered by Matsushita and the rest by the Dutch firm). With production equipment and technique of international standard, this subsidiary is making electric bulbs, vacuum tubes, fluorescent lamps, TV tubes and other electronic devices, and it now constitutes a main prop for future development of Matsushita interests.

Present Standing

Though its main lines are various kinds of household appliances, the company now is manufacturing some industrial machines and equipment, including motors, condensers, weldders and electron accelerators. But these account for a small portion of the total business.

In the past term ending with May, 1960, sales totalled ¥50.1 billion. Of this total, wireless equipment (radio sets, TV receivers, etc.) comprised 47%, household electric appliances (refrigerators, washing machines, sweepers, heating appliances, etc.) 29%, batteries and cells 6%, and bulbs and tubes 10%. TV sets are by far the biggest single item. After all, the company's strength lies in the integrated and coordinated manufacture of various electric machines and equipment, mostly for household use.

In major electric machines and equipment, the company accounts for big portions of the nation's total production: i.e. 18% in TV sets, 16% in radio receivers, 25% in washing machines, 26% in sweeping machines, 38% in dry cells, and 41% in electric irons, occupying the first places in all cases; and 24% in refrigerators, 23% in incandescent lamps and 29% in fluorescent lamps, ranking second in these cases (from October, 1959, through March, 1960). Thus, its position as the largest maker of household appliances still remains unchanged.

In this line, to be noted, business growth is dependent not only upon production capacity but also upon sales network function. As mentioned above, Matsushita completed its own sales net work all over the country in its initial days. It has recently strengthened and improved it, so it can prevent its major markets from being disturbed or snatched away by other makers.

Business Results

As for household appliances, sales competition has been much hotter than in any other field, and sales expenses have been increasing rapidly. For all this, the company has succeeded to secure such high profits as comprise 10% or so of the total sales. In the business term closing with May, 1960, for instance, sales amounted to ¥50.1 billion, netting a profit of ¥5,780 million or 11.5%. In other industries, most companies earn less than 10% of their sales as net profits, so it can be said that profit conditions are particularly good for Matsushita.

The profit rate against the ¥10 billion capital was as high as 116% in the afore-mentioned six-month term. In the past terms, the company has been paying such high dividends as 22%—a very rare instance in Japanese industry—but not a small amount has been earmarked as reserve and depreciation.

On November 21, 1960, the company will increase by 50% its capital to ¥15 billion. Thus, as the burden of increased capital will get heavier, the dividend is likely to be cut off, say by 2%, to 20%.

Growth Potential

In the past decade, the company's sales has bulged 40 times like a snowball. This is because TV sets, refrigerators, etc. have successfully been put on sale at the moment when national income has begun to curve up steeply and the standard of living to go much higher. The upward tempo certainly will remain unabated, so the company's sales will continue growing at the annual rate of 20% on the average.

In other words, sales will climb from ¥105 billion in 1961 to ¥180 billion three years hence and to ¥250 billion five years hence, or about 2.5 times the present level. Accordingly, equipment capacity will have to be expanded, and more funds to be raised somehow or other. Time will come sooner or later when the company will again increase its capital, for its business will grow continuously along with the advance of national income and the upcurve of the living standard.

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CATALOGUE NUMBER 189

Mitsubishi Chemical Industries, Ltd.

President .....*Shukichi Shibata*
Capital *¥10,000,000,000*
Settlement Terms .....*Twice annually, in January and July*
Dividend .....*¥6 per share annually per annum*
Principal Lines: *Production and Sales of Coke, Tar Producas, Dyes, Fertilizers, Acrylonitrile, Octanol.*

Biography

Mitsubishi Chemical Industries, Ltd. is practically a foremost chemical enterprise in Japan managed on overally integrated basis. As other firms formerly belonging to the Zaibatsu interests, this company was established as one of the three second companies of the (defunct) Mitsubishi Chemical Industries, Ltd. (which was dissolved under the provisions the Industrial Reconstruction program) on June 1, 1950. The other two second companies born with this firm are Shinko Rayon Co., Ltd. (at present Mitsubishi Rayon Co., Ltd.) and Asahi Glass Co., Ltd. The actual origin of Mitsubishi Chemical Industries, however, dates back to August 1, 1934 when Nippon Tar Kogyo (Japan Tar Industry) was established with the initial capital of ¥5,000,000 through the cooperation of Mitsubishi Mining and Asahi Glass. In 1936, the Company changed its name to Nippon Kasei Kogyo (Japan Chemical Industry). And then in 1944, the Company absorbed Asahi Glass and changed its name to Mitsubishi Chemical Industries.

After the termination of war, however, the Company was forced to renounce its "Zaibatsu name" to revert to the former name of Japan Chemical Industry. It was in July, 1952 that the Company was allowed to name itself Mitsubishi Chemical Industries again.

Present Position

The Company has two main factories—the Kurosaki plant in Fukuoka Prefecture and the Yokkaichi plant in Miye Prefecture.

The Kurosaki plant is devoted to the manufacture of coke, tar products, dyes, dye intermediaries, phamaceuticals, agricultural chemicals, ammonium sulphate, urea, synthetic fertilizers, ammonia products, acrylonitrile, etc. The Yokkaichi plant specializes in the production of acetylene products including carbide, methyl vinylether and polymers thereof. The Yokkaichi plant has also embarked upon the production of ethylhexanol, isobutanol and other items with propylene supplied from the Yokkaichi factory of Mitsubishi Petrochemical Co. since the early part this year. The products manufactured at these factories are marketed throughout the country via the company's branch offices in Tokyo, Nagoya and Kyushu.

The weights of the Company's products in the total production of the nation are as follows: coke for casting, 35%; color carbon black, 85%; maleic acid anhydride, 48%; acrylonitrile, 50%; acetone cyanohydrin, 80%; synthetic fertilizer, 11%; sodium nitrate, 78%; vinyl ether, 100%. Also high are the percentages of such products in the national total as naphthol dyes (30%); direct dyes (25%), ion exchange resin (40%), ammonium sulphate (14%); urea (10%), nitric acid (23%); dry ice (25%), and octanol (25%).

The Company has many subsidiaries under its aegis to from what may be termed the Mitsubishi chemical industrial konzern. Among major subsidiary firms under its control are Mitsubishi Monsant Chemical (capitalized at ¥1,200 million), Amagasaki Coke (¥1,000 million), Nagahama Resin (¥500 million), Toyo Carbon (¥144 million), Tohoku Fertilizer (¥240 million), Tokai Ammonium Sulphate (¥342 million), and Nippon Oxygen Industry (¥510 million). Thus, the magagement of Mitsubishi Chemical Industries is highly multilateral, and its business has been sound and favorable. The annual sales of the Company may be roughly dividend into coke (33%), organic chemicals (12%), inorganic chemicals (42%), synthetic chemicals (9%) and acetylene (4%).

The Company's production of coke amounts to 81,000 tons monthly with 230 coke furnaces, chiefly bound for steel mills. The number of coke furnaces will be increased by 60 to boost the monthly production by 29,000 tons. By utilizing by-product gas available from coke furnaces, the Company has been engaged in ammonia synthesization. Meanwhile, the production capacity of ammonia by the Company amounts to 455,000 tons annually in terms of ammonium sulphate, the third largest in Japan.

Because of the highly advanced techniques and rationalization of the production facilities, the Company's ammonium sulphate cost is the lowest in industry. Moreover, the strong ties with farmers' cooperatives throughout the country have been proving a great asset in smoothly distributing the Company's ammonium sulphate. Mitsubishi Chemical Industries is also trying to advance into a variety of high-quality synthetic fertilizers. And in preparation for this step, the Company is engaged in the establishment of a new plant capable of producing 48,000 tons of fertilizers annually. The construction is scheduled to be completed in the spring of 1961.

Business Results

The Company sold ¥18,932 million for the half-year term ended July, 1960 for the net profit (before tax) of ¥1,056 million with the profit rate against the paid-in capital reaching 35.0%, representing an increase of about 3 fold in the sales and a hike of 5 fold in the profit over the first half of 1955.

With its capital now standing at ¥10,000 million through the 60% expansion in October, 1960, the Company is expected to make another capital increase in late 1960 or early 1961. With its sales mounting and the profit growing, the Company is worthy of a place on the ADR list.

Mitsubishi Chemical's Business Results in Recent Terms

Terms	Sales (¥ million)	Profit (¥ million)	Profit Rate (%)	Dividend (%)
Aug., 1958—Jan., 1959 . .	10,181	544	18	12
Feb., 1959—July, 1959 . .	12,300	631	21	12
Aug., 1959—Jan., 1960 . .	15,579	676	23	12
Feb., 1960—July, 1960 . .	18,933	1,057	35	12

Mitsubishi Electric Manufacturing Co., Ltd.

President .....*Yoshinaga Seki*
Capital *¥19,200,000,000*
Settlemeut Terms .....*Mar. 31 & Sept. 30*

Dividend .....*¥7.5 per share pear annum*
Principal Lines: *Manufacture and sales of electric machines, and industrial machines and appliances.*

Biography

This company was incorporated as an independent concern in January, 1921, taking over electric machinery business from the Kobe Shipyard of the defunct Mitsubishi Shipbuilding & Engineering (a predecessor of the prewar Mitsubishi Heavy Industries). Capitalized at ¥15 million, it operated only one plant at Kobe at that time.

Expanding its business scale step by step, the company in November, 1923, entered into a technical cooperation contract with Westinghouse Electric International (USA), which has since been in force with the exception of war years and greatly contributed to the qualitative improvement of its machines and appliances.

When the Pacific War was over, the company operated 4 works, 8 plants and one institute and ranked among the three biggest builders of heavy electric machinery, next only to Tokyo Shibaura Electric and Hitachi. It found about 31 % of its manufacturing facilities damaged by US air raids, but its postwar reconstruction made steady progress, while on the other hand a number of civilian machines and appliances, instead of arms and munitions, were successfully manufactured and marketed.

In 1951, the company revived its technical and financial arrangement with Westinghouse interests temporanily suspended in time of war and further bolstered its tieup with them. Westinghouse Electric International now is the biggest shareholder, accounting for 3.96% (or 10,125,000 shares) of the total capital.

Present Position

On October 1, 1960, the company boosted its capital to ¥19.2 billion, or the third largest firm in this line next to Tokyo Shibaura and Hitachi. But its sales now is about one half of Hitachi's and slightly less than 70% of Tokyo Shibaura's. For all this, it is manufacturing a wide variety of products from transistors to large capacity generators, and in this respect it is well able to compete with the other two giants.

Of the recent sales turnover, rotary heavy machines comprise 16.7%, stationary heavy equipment 18.2%, other applied heavy machines 15.7%, light machines and appliances 5.5 %, wireless communication equipment 15.3%, rolling stock electric machines and devices 8.4 %, industrial machines 15.5 %, and others 4.7%.

Particularly well-known among the company's manufactures are turbo-generators and breakers based upon Westinghouse know-how. Among its household appliances, electric fans are enjoying the widest popularity.

Internally-cooled thermal generators, to be fabricated under the patent contract with Westinghouse, can be expanded to 500,000 kW in capacity. As such large capacity generators are monopolized, the company can take other competitors at advantage as demand picks up for larger thermal plants.

Utmost efforts will be lavished for electronics, or the new field where the company has thus far been falling behind other interests. It is trying to develop "molectronics", or a revolutionary device in electronics, in cooperation with Westinghouse interests. If it suceeds in this attempt, it will outspace its rivals in this line.

Business Results

In the business term closing with March, 1960, sales totalled ¥43,449 million, or an increase of 26% from the preceding term, and profits ¥3,221 million, or a gain of 21%. In terms of the upcurve rate, Mitsubishi Electric Mfg. outran all other heavy electric machinery builders.

In the April-September 1960 period, sales will increase to ¥48 billion and profits to ¥3.7 billion. The dividend certainly will be kept at 15%.

From October, this year, through March, 1961, sales will further zoom up to ¥53 billion and profits to ¥4.5 billion. Though the burden of the 50 % capital increase gets heavy, therefore, the dividend will again be maintained at the same rate as ever, or 15%.

The company will keep its business growing continuously at the rate of 12–13% a year, for requirements will get brisker for heavy electric machinery thanks to the 2,000,000-kW-a-year power development program and for industrial machines owing to the ever-active equipment investments in many industries.

Sales will pick up not less markedly for applied heavy machines and light machines, particularly household appliances and universal motors. It must be noted, however, that these kinds of machinery and equipment account for about 20% of the total turnover, or much smaller than in the case of Hitachi and Tokyo Shibaura. This means that there is much leeway for increase of sales, so it is expected that this category will increase more than twice five years hence.

The rate of future growth will be much greater for electronics, especially "molectronics", than for other lines, for the company will concentrate vigorous efforts upon this new field.

Growth Potential

According to its long-term plan, the company's sales five years hence will reach ¥150 billion, or twice as much as fiscal 1959's. The possible expansion, however, will turn out much greater in all probability.

In anticipation of such steady growth, the company will expand its plants and equipment more strenuously than ever. New projects in fiscal 1960 include the construction of the Sagamihara and Kyoto plants: alloy manufacturing facilities will be moved to the Sagamihara Plant, and various tubes (power, photoelectric, color television, etc.) will be manufactured at the Kyoto Plant. In addition, a new plant will be built at Kamakura mainly for manufacture of electronic equipment; and the Nagoya, Kobe, Itami and Shizuoka works will be bolstered. For all these expansion projects, ¥12 billion will be invested.

Mitsubishi Heavy Industries; Rerganized, Ltd.

President.....*Yoshito Yoshida*
Capital.....*¥ 12,348,000,000*
Settlement Terms.....*Twice annually, in March and September*
Dividend .....*¥ 6.00 per share per annum*

Principal Lines: *Construction and Repairing of Ships; Production of Marine Engines, Industrial Machines, Rolling Stoch, Automobiles, Aircraft, Steel Structure, etc.*

Biography

Mitsubishi Heavy Industries, Reorganized, Ltd. was created in January, 1950 as one of the three second companies through the dissolution of Mitsubishi Heavy Industries, Ltd Other two companies are Mitsubishi Shipbuilding & Engineering and Mitsubishi Nippon Heavy-Industries, Ltd. Since its establishment, the Company has endeavored to diversify its specialities, and today, it ranks high among Japanese machinery manufacturers in the variety of products and the volume of production. Among major products of the Company are ships, land machinery, prime movers, automobiles, industrial vehicles, aircraft and farm implements.

Present Position

As of January, 1961, Mitsubishi Heavy Industries, Reorganized will increase its capital to ¥20,000 million. In the respective fields of machinery production, the Company occupies a predominant position. In the production of turbines, boilers and paper-making machines, it ranks first in Japan. It takes the secoud place in the manufacture of aircraft, third in textile machines and steel structures, and fourth in chemical machines. As noted in Table 1, ships, machinery, prime movers and automobiles are the "Big 4" in the Company's sales, but the future growth will be most noteworthy for automobiles. For the September (1960) term, the Company sold the estimated total of ¥13,000 million in automobiles, including the "Mitsubishi 500" model marketed for the first time in May, this year, up 45.0% over the sales for the preceding term. So far, the automobile division of the Company depended on four-wheel trucks (Jupitor), midget three-wheel trucks (Leo) and Jeeps as its specialities, but the new passenger car (Mitsubishi 500) seating 4 passengers and costing only ¥400,000 will be a new asset to the division. Up until present, Toyota Motor and Nissan Motor have been by far the two giants in the field of passenger cars. It is being watched with great interest if Mitsubishi Heavy Industries, Reorganized, backed by the vast financial and technological resources of the great Mitsubishi industrial empire, will emerge as a "third power" in Japan's passenger car field in the future. At the moment, the Company is devoting itself to the production and sales of Mitsubishi-500's. In 1961, however, chances are that the Company will move either move into 600 cc cars or more deluxe types. Realizing that one of the most important things in the sales promotion of passenger cars is the perfect control of a wide sales network, the Company is bolstering the sales network of Hishiwa Motor—its sales agent—throughout the country. The Company is also scheduled to put its Mitsubishi 500's on the sales network of Willys Co. with which it has a technological assistance contract for the production of jeeps.

The Company's advance in the machinery division is also noteworthy as well as aircraft, including helicopters.

Mitsubishi H.I.R. Sales by Item

(In million yen)

Divisions	Half-Year Term Ended Sept., 1959	Half-Year Term Ended March, 1960
Shipbuilding	8,152 (23.4%)	7,749 (18.0%)
Machinery	5,207 (14.9%)	7,592 (17.7%)
Prime Movers	6,405 (18.3%)	10,854 (25.3%)
Rolling Stock	1,328 (3.8%)	1,482 (3.4%)
Automobiles	7,785 (22.2%)	8,958 (20.9%)
Farm Implements	2,070 (5.9%)	2,397 (5.6%)
Aircraft	4,033 (11.5%)	3,920 (9.1%)
Total	34,981 (1000.0%)	42,956 (100.0%)

Business Transitions of Mitsubishi Heavy Industries, Reorganized

(In million yen)

Half-Year Term ended	Sales	Profit	Profit Rate (%)	Dividend Rate (%)
Sept., 1957	31,500	2,334	84.0	12.0
March, 1958	36,422	2,535	45.0	12.0
Sept., 1958	35,035	2,418	43.0	12.0
March, 1959	34,675	2,528	43.0	12.0
Sept., 1959	34,981	2 502	41.0	12.0
March, 1960	42,956	3,032	49.0	12.0

Business Results

With its products embracing a wide variety of machinery (including ships), the Company's sales and profits have been on the active increase in these several terms. The business result for the half-year term ended September, 1959 was partly affected by typhoon disasters, but the proceeds for the September (1960) term were sufficiently encouraging, partly because of the fair sales of the "Mitsubishi 500" passenger cars, as well as the rising demand for machinery and prime movers. The business for the current term ending March, 1961 will be more encouraging with the continuance of a 20% dividend assured depite the impact of the capital expansion.

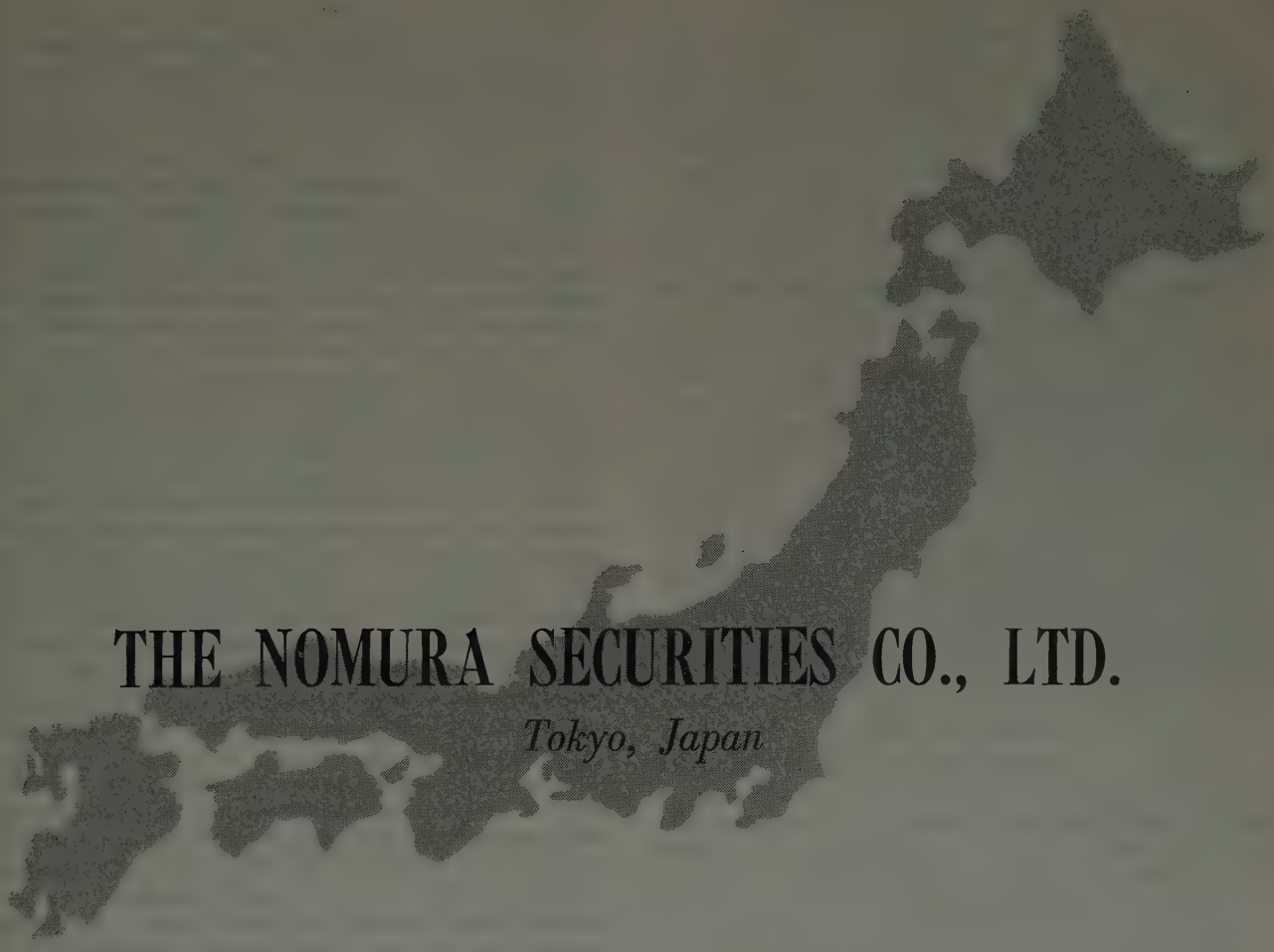
The Company made its debut with the capital at ¥1,300 million in January, 1950, but increased the capital three times in the past in December, 1952, June, 1954 and October, 1957. and will make another boost to ¥20,000 million as of January, 1960. Thus, the capital of the Company will have been boosted by 15.4 fold by January, next year. A further capital expansion appears likely in 1962 or 1963 in view of huge funds necessary for new equipment investment schems. Hence, its future growth power is considered energetic.

Business Scale of Mitsubishi Heavy Industries, Reorg.

(As of end of March, 1960)

Authorized Capital Shares: 448,000,000
Issured Shares: 246,960,000
Capital: ¥12,348 million
Re-evaluation Reserve: ¥5,047 million
Number of Employees: 32,243
Number of Stockholders: 133,749
Major of Stockholders (In 1,000): Nomura Securities—28,069; Daiwa Bank—21,076; Mitsubishi Bank—6,617; Japan Securities Finance—5,814; Meiji Mutual Life Insurance—5,513.

Country of Growth



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CATALOGUE 109 NUMBER

Mitsubishi Shipbuilding & Engineering Co., Ltd.

President .....*Hisachi Satoh*
Capital *¥11,200,000,000*
Settlement Terms .....*Twice annually, in March and September*
Dividend .....*¥6 per share per annum*
Principal Lines: *Manufacture of Steel Ships, Prime Movers, Industrial Machines, Machine Tools.*

Biography

Mitsubishi Shipbuilding & Engineering Co., Ltd. is one of the three "second" companies created through the dissolution of Mitsubishi Heavy Industries, Ltd. after the war's termination. Through the dissolution, the Company was established in 1950 by taking over five plants located west of Hiroshima. The Nagasaki (shipbuilding) Works, the largest of the Company's plants, boasts of a long history of over 100 years. Depressed for some time after the war's termination, the Nagasaki Works came into the limelight again on the spur of the shipbuilding boom since 1955 and finally emerged as the biggest shipbuilding yard in the world, as well attested by the fact that it has retained the first place on the list of major shipbuilding yards without a break in the past four years. Some of the outstanding features of the Nagasaki Works of Mitsubishi Shipbuilding & Engineering are the positions of its annual capacity, namely: 500,000 gross tons for new steel ship building, 4,050,000 gross tons for steel ship repairing, 140,000 H.P. for diesel engine production, 430,000 kW for steam turbine production, and 2,160 tons/h for boilers. During the period from 1920 through March, 1960, the Nagasaki Works built 519 steel ships aggregating 1,824,250 gross tons, or some 17.9% of the total volume of steel ships constructed in this country, far outstripping other domestic shipbuilders.

Present Position

Construction of mammoth ships is the speciality of the Nagasaki Works, and it is now capable of building ships as large as 100,000 tons d/w. Among many large steel ships built by the Works was a mammoth 87,500 tonner completed in June, 1960. The Company is closely linked with shipping companies under the aegis of the Mitsubishi interests at home and leading firms like Tidewater overseas. A recent lull in the shipbuilding boom, however, has compelled the Company to expand its land machinery division, which is already one of the largest in Japan.

It was in 1955 that the Company began to strengthen this division with industrial machinery at the helm, and this step has proved highly fruitful when the demand for machinery has sharply increased in recent years. Many and varied are the machines manufactured by the Company. Among them are turbines and boilers bound for electric power plants; melting furnaces, open hearth furnaces and rolling machines for steel mills; and machines for cement and textile industries as well as mining machinery and machine tools. On the list of these industrial machinery, more promising are those catering to electric power and steel, as the two industries are bound to expand almost without limit in many years to come. And the Company is highly blessed in this respect, as it has a series of technical tieup contracts with noted foreign firms in these fields. Mitsubishi Shipbuilding & Engineering is also highly advanced in the field of machine tools, particularly after the conclusion of a technical tieup contract with Inocenti in Italy, one of the noted machine tool manufacturers in the world, in the autumn of 1959.

Growth Potential

The Company is also positive and progressive in the production of chemical machines through the erection of a new laboratory, the addition of new equipments and the promotion of technical tieup contracts with leading foreign firms. Thus, it appears likely that the land machinery department of the Company will sooner or later emerge as the main business front to replace the shipbuilding division. The annual sales of the Company stands at about ¥60,000 million with the shipbuilding and land machinery divisions almost dividing the proceeds on equal terms, but the growth of the sales to the annual average of over ¥100,000 million is likely in the near future with the land-machinery division accounting for nearly 70.0% thereof.

As can be seen in the accompanying table, the Company's business has been on a steady upcurve for a long time and the Company could easily afford to maintain a 12% dividend a year. In the half year term ending March, 1960, the Company chalked up a big profit mainly due to the delivery of high-profit ships contracted during the time of shipbuilding boom a few years ago. The Company rewarded the stockholders in the March term with 6% extra dividend in addition to the ordinary dividend of 12%. Business will be equally active for the September, 1960 term mainly because of the brisk sales in machinery department and will stand at about ¥33,000 million.

The latest capital expansion of the Company came in February, 1960, when it grew to a ¥11,200 million concern. With the expansion of the Hiroshima dockyard and the land-machinery division under way, another capital expansion is certain soon, perhaps in late 1961 or early 1962.

Growth of Business of Mitsubishi Shipbuilding & Engineering

(In million yen)

Term ended	Sales	New Ships*	Ships Repaired*	Machinery*	Profit	Profit Rate (%)	Dividend (%)
1957—Mar.	18,371	(54.8)	(6.8)	(34.8)	841	43.0	12.0
Sept.	20,815	(70.3)	(8.0)	(21.7)	1,412	50.0	12.0
1958—Mar.	27,262	(62.9)	(3.7)	(33.4)	1,178	42.0	12.0
Sept.	27,396	(69.1)	(3.7)	(27.3)	1,129	40.0	12.0
1959—Mar.	28,703	(68.6)	(4.0)	(27.4)	1,537	55.0	12.0
Sept.	26,044	(58.8)	(6.1)	(35.1)	1,652	59.0	12.0
1960—Mar.	29,284	(52.9)	(4.9)	(42.2)	2,922	78.0	12.0 (×6.0)

Notes: * Percentages in the total sales: × special dividend given in addition.

Mitsubishi Shoji Kaisha, Ltd.

President.....*Kiyohiko Sho*
Capital.....*¥10,000,000,000*
Settlement Terms .....*Mar. 31 & Sept. 30*

Dividend .....*¥7 per share per annum*
Principal Lines: *Exports, imports and domestic commerce*

Biography

Separated from Mitsubishi Goshi Kaisha (a holding concern of Mitsubishi interests), this trading company was founded in 1918. But in 1947 it was ordered to liquidate itself by the Supreme Commander for the Allied Powers, and instead about 120 minor firms were founded.

Established in 1950 as the second company of the dissolved organization, succeeding to its assets and liabilities, was Kowa Jitsugyo, Ltd., which undertook real estate business on a moderate scale and decided to change its name again into Mitsubishi Shoji in August, 1952. In the process of kaleidoscopic merger and absorption, three of the afore-mentioned 120 interests gradually came to the fore and built up their strong positions, i.e. Fuji Shoji, Tokyo Boeki and Tozai Koeki. In July, 1954, these were absorbed in form by Mitsubishi Shoji, marking the re-birth of the powerful Mitsubishi Shoji.

Present Standing

Availing itself of the brisk re-union of all Zaibatsu interests, the amalgamated company revitalized its activities and successfully boosted its business scope in full cooperation with other Mitsubishi outfits. It took active part in the establishment of Mitsubishi Atomic Power Industry, the founding of the Technical Service for Southeast Asia, and the advance into petrochemistry with Mitsubishi Yuka as a nuclear organ. Thus, it came to rank first among Japanese trading houses and held its place up to the re-establishment in February, 1959 of Mitsui Bussan, which has since been cocupying the first place in terms of transactions.

In the six-month term ending with March, 1960, transactions amounted to ¥273.8 billion compared with Mitsui Bussan's ¥275.5 billion. In imports, however, its business reached ¥79.9 billion against Mitsui Bussan's ¥71.4 billion, or by far the biggest turnover. Particularly big import items were fuels, petroleum in particular (¥15.1 billion) and metals, especially iron ore (¥20 billion).

In the case of exports, the largest item was machines and equipment, mostly manufactured by Mitsubishi Heavy Industries Reorganized and Mitsubishi Nippon Heavy Industries. Another key item was provisions.

It is also to be noted that manufactures by Mitsubishi affiliates account for 30% of the total transactions, indicating the close relationship and integration of the Mitsubishi group.

Business Results

In the business term closed with March, 1960, the company handled ¥273.8 billion worth of goods, earning a profit of ¥1,189 million. The rate of profit against ¥ 5-billion capital stood at 47.6 %, and the dividend was declared at 14 %, or ¥7 per share. As ¥ 365 million was set aside for various depreciations and reserves, the real profit ran into ¥ 1,554 million as shown below:

In the past term closed with September, 1960, transactions are estimated to have totalled ¥300 billion; real profit ¥1,650 - 1,700 million; and net profit ¥ 1,300 million or so. As its capital has been boosted to ¥ 10 million (as from July 1), the rate of net profit will come at 34.8 %, and the company will pay a 12% dividend or ¥6 per share.

Mitsubishi Shoji's Business Results

(In ¥ 1,000,000)

Term ended with	Transactions (¥ billion)	Real Profit	Depreciations & Reserves	Net Profit
1958 March	192.8	1,011	203	808
September	184.6	1,243	436	807
1959 March	198.5	1,417	565	852
September	226.1	1,298	330	968
1960 March	273.8	1,554	365	1,189

Outlook

The company's potential comes from its intimate relations with all the Mitsubishi affiliates and its strong position in such items as metals and machinery, which really constitute, so to speak, the future backbone of Japanese economy and industry.

According to a Government plan, Japan's foreign trade five years hence will amount to $10 billion in both ways. Assuming that its transactions represent 12-13% of this estimated goal, company will handle ¥450 billion worth of goods five years hence. Domestic dealings now account for about 45 % of the total business, and five years hence they will gradually increase to ¥350 billion or so. The combined total, therefore, is likely to reach ¥ 800 billion, or 1.3-1.4 times the present level.

Net profit will average ¥ 2 billion a year. Capital, on the other hand, will be doubled to ¥ 20 billion. After all, the company certainly will hail steady growth in the coming years.

In the business term closed with September, 1956, investments and loans totalled not more than ¥700 million or 1% of the total capital in use. But the figure zoomed up to ¥ 6,000 million, or over 3 %, in the term ended with March, this year. In the past 12 months in particular, the investment and loan account registered a tangible gain of ¥ 800 million, including the purchase of 3,500,000 Nippon Hydrogen shares from Mitsui Real Estate, and the acquisition of Osaka Steel Mfg., Nippon Kokan, Showa Sangyo and Lion Fat & Oil shares, all designed to deepen business connections with them. Investments of this kind certainly will further increase in the future. Out of the ¥ 5,000 million available from the recent capital increase, 40 % will be earmarked for such investments.

In line with such consolidation of its domestic organization, the company will take steps for expansion of its overseas branches and agencies. It now has 52 offices abroad with 945 staffs (of whom, 676 have been employed abroad), or nine times bigger in personnel than at the time of postwar amalgamation. These people will greatly contribute to the future growth of this firm.

Mitsui Bussan Kaisha, Ltd.

President .....*Yasutaro Niizeki*
Capital *¥6,533,086,500*
Settlement Terms .....*Mar. 31 & Sept. 30*
Dividend .....*¥7 per share per annum (of which, ¥5 as stock dividend)*
Principal Lines: *Exports, imports and domestic commerce*

Biography

In July, 1947, the wartime Mitsui Bussan was liquidated and deconcentrated into 300 odd minor concerns in accordance with an order by the Supreme Commander for the Allied Powers. This meant the complete destruction of Japan's biggest trading organization, established as early as in 1886, which had carried on various business activities all over the world to the extent that its existence caused a menace even to leading foreign traders.

Among these deconcentrated firms, three gradually built up their key positions, i.e. Nitto Warehouse (created as the second company of the liquidated organization), Mitsui Bussan (set up by absorbing Muromachi Bussan or a leading dealer in metals and manufactures thereof), and Daiichi Bussan.

The newly-born Mitsui Bussan, though it was a trader specializing in metal products, became a powerful concern because it had taken its title from the wartime mother firm.

Daiichi Bussan, on the other hand, amalgamated itself with Goyo Boeki in January, 1953, with Mitsui Lumber in November, 1954, and with Nippon Kikai Boeki and Daiichi Tsusho in July, 1955. Upon completion of these mergers, it became the second largest trading house, next only to Mitsubishi Shoji which had finished its reamalgamation in 1954.

Maneuvers were soon started for reconstruction of Mitsui Bussan, as it was before the war, through combination of Daiichi Bussan and Mitsui Bussan, but no success was attained for a long time until a contract for their merger was finally signed in August, 1958. The two firms were formally combined in 1959—the birth of the present Mitsui Bussan.

The new company was capitalized at ¥5,927 million. At the end of every business term, it has since paid a 10% stock dividend, so its capital now stands at ¥6,533 million.

Present Position

Before the afore-mentioned amalgamation, Daiichi Bussan ranked second, next to Mitsubishi Shoji, among postwar trading concerns; and the former Mitsui Bussan was not more than a specialized metal trader. But Mitsui Bussan now is by far the biggest trader in Japan, replacing Mitsubishi Shoji. In the business term ending with September, 1959, its transactions totalled ¥242.5 billion, or ¥16.4 billion more than Mitsubishi Shoji's. In the following term, it handled ¥275.5 billion worth, or ¥1.7 billion more.

In the amount of imports, the company cannot compete with Mitsubishi Shoji. In all other lines, the former far eclipses the latter. Important items it handles are: iron and steel products, and textile manufactures in export trade; non-ferrous metals, oils and oil seeds in import trade; and iron and steel products, machinery, etc. in domestic commerce.

It is true, the company is backed up by or related to other firms of the Mitsui group, but the postwar integration of various Mitsui interests is much less initimate and less wide than that of Mitsubishi and Sumitomo. This can be seen in the fact that manufactures by Mitsui interests account for less than 10% of the total transactions by Mitsui Bussan, while on the other hand products by Mitsubishi subsidiaries represent as much as 30% of the total business in the case of Mitsubishi Shoji.

Business Results

When it was finally founded in February, 1959, through the afore-mentioned merger, the company set its annual dealings at ¥500 billion. One year later, its business bulged to the annual rate of ¥550 billion. In the business term closing with September, this year, transactions are estimated to have summed up to ¥310–320 billion. It means that the company has succeeded in boosting its scale well over ¥600 billion in the second year after its re-founding. Such unexpectedly rapid expansion has of course resulted from the 16% growth of national economy, so it is unlikely that its business will expand so rapidly as in the past year.

But the Ikeda Government has declared to pursue its economic policy, with the growth rate set at 9% a year, and to step up the liberalization of foreign trade. Thus, the company can look forward to better business in the future, though unconditional optimism is not warranted as freer trade will expose Japanese industry as a whole to the bitter heat of international rivalry.

In the field of international trade, the rule of survival of the strong will hold more water than in any other line. In other words, giants like Mitsui Bussan and Mitsubishi Shoji will bolster their positions more than ever.

In the term ending with March, 1959, the company netted a profit of ¥1,315 million, with its transactions at ¥275.5 billion. Including about ¥800 million earmarked for depreciation and reserves, the real profit reached ¥2,133 million. Thus, the rate of profit against capital was as high as 42%, and the rate of dividend against capital was declared at 14% or ¥7 per annum. Since the days of Daiichi Bussan, the company has been paying a stock dividend at the rate of ¥5 a year in every business term.

In the last term closing with September, 1960, transactions are estimated at ¥310 billion, earning a real profit of ¥2.3–2.4 billion (of which, about ¥1.4 billion to be divided among shareholders). Dividend will be paid in the same way as in the past terms.

Growth Potential

That, as already mentioned, the company now handles a minor portion of Mitsui manufactures indeed speaks of its weakness in integration and grouping but indicates the possibility of further increase and bolstering. In other words, it will be well able to deal in more manufactures by a larger number of Mitsui concerns. In its transactions, products by such growing firms as Mitsui Petrochemical, Mitsui Shipbuilding & Engineering and Toyo Rayon will gain in importance in all likelihood. It is also to be noted that Nippon Atomic Power, jointly set up by Tokyo Shibaura Electric, Mitsui Bussan and other interests, will make steady progress and build up its standing in the Mitsui group.

Even in the field of petroleum, which has so far been a "blank" area, the company now is pushing, in cooperation with Mitsui Petrochemical and Toa Oil, an ambitious program to develop a petrochemical centre in Chiba Prefecture.

At this juncture, the company is hailing the era of free trade with buoyant hope. It has a network of 60 overseas agencies, manned with 400 experts despatched from home. When foreign exchange is liberalized more than at present, it will be able to bolster its position in foreign exchange business as in commodity trade. Five years hence, it is estimated, its transactions will jump to upwards of ¥900 billion, and its profit will be twice as much.

The company will boost its capital continuously by paying a stock dividend every term, but it is likely that it will double its capital some time next year. After such capital increase, the rate of dividend against capital will be set at 12% or ¥6 a year, and the ¥5-a-year stock dividend will be kept unchanged. Five years hence, therefore, the company's capital will climb up to ¥15-20 billion.

Nippon Sheet Glass Co., Ltd.

President .....*Fumio Tanaka*
Capital *¥2,500,000,000*
Settlement Terms .....*Twice annually, in March and September*
Dividend .....*¥10 per share per annum*
Principal Lines: *The production and sales of sheet glass of various types.*

Biography

Nippon Sheet Glass Co., Ltd. was established in November, 1918 with the capital of ¥3,000,000 under the name of Japan-U.S. Sheet Glass Co., Ltd. At the time of its inception, the Company obtained the knowhow about the Colbahn process sheet glass production method from Libby-Owens Sheet Glass Co. of the United States (the present Libby-Owens-Ford Glass Co.), together with the necessary equipments involved, in the form of a capital investment. Immediately upon its establishment, the Company constructed a modern sheet glass plant (by the automatic-continuous process), the first of the kind in Japan, in the City of Wakamatsu, Fukuoka Prefecture. In October, 1920, the plant started manufacturing plate glass, which Japan at that time was mostly importing from Western countries. In the 42 years since its founding, the Company has been making sound progress and has grown into one of the three leading sheet glass companies in this country.

The notable growth of Nippon Sheet Glass Co., Ltd. in the past 42 years may be chronologically followed, as follows: In February, 1928, the capital was increased to ¥4,000,000 and equipments at its Wakamatsu factory were renovated; in January, 1931, the Company changed its name to Nippon Sheet Glass; in December, 1934, the capital was increased to ¥10,000,000, and the work was started on the construction of a new plant at Yokkaichi, Miye prefecture for the production of ordinary sheet glass and polished plate glass; in December, 1936, the new Yokkaichi plant started production; in March, 1941, the Company amalgamated Tokunaga Sheet Glass Manufacturing Co. (capitalized at ¥2,200,000). As a result, it hiked its capital to ¥12,250,000 and added the Amagasaki plant to the list of its production line; in November, 1944, the Amagasaki plant ceased operation because of the intensification of the war, and was transferred to Sumitomo Chemical Industry Co.; in October, 1949, a laboratory was established in the City of Amagasaki; in June, 1950, the capital was increased to ¥75,000,000; in December, 1950, the capital was further boosted to ¥150,000,000 to finance the construction of a new plant for shape glass and polished plate glass at Maizuru; in June, 1951, the capital was increased to ¥300,000,000; in November, 1951, the capital was doubled to ¥600,000,000 (through share dividends); in September, 1952, the Maizuru plant started production; in April, 1955, the capital was increased to ¥1,200,000,000; in October, 1957, the capital was again boosted to ¥2,500,000,000; and so on to the present prosperity.

At the time of its inception, the Company was chiefly financed by Libby-Owens, the Sumitomo interests and Asahi Glass (affiliated to the Mitsubishi group). In August, 1922, when business was depressed after the first World War, the management of the Company including the financial phase was totally entrusted to the Sumitomo Honsha by the decision of the shareholders general meeting. The Company has since been under the aegis of the Sumitomo interests. Meanwhile, Libby-Owens has continued to be the largest shareholder of the Company, controlling 14.22% (7,049,000 shares) of the Company's stocks. Other foreign stockholders (mostly Americans) also own some 41,100 shares of the Company.

Present Position

The Company at present has three factories—at Wakamatsu, Yokkaichi and Maizuru, and is engaged in the manufacture of ordinary sheet glass, polished plate glass and shape glass. Japan's sheet glass production has been increasing by leaps and bounds in recent years with the annual output leaping from 3,783,000 cases in 1950 to 6,650,000 cases in 1955 and further to 10,420,000 cases in 1959. Japan today is the third largest sheet glass manufacturing country in the world, coming next only to the United States and the Soviet Union, and Nippon Sheet Glass accounts for more than 40.0% of the total output in Japan. With Asahi Glass manufacturing a little more than Nippon Sheet Glass, it may be said that these two companies substantially monopolize the nation's sheet glass industry, with Central Glass Co., the third of the "Big 3" endeavoring to emerge for the market left uncovered by the "Big 2." Thus, Japan's sheet glass market has been extremely stabilized in the absence of particular competitions.

Business Results

In Japan (and presumably in other countries too), construction accounts for about 70.0% of the domestic demand for sheet glass, although the new demands by rolling stock, green houses and other industrial uses have begun to increase at an active tempo. Hence, the business of the Company has been faring encouragingly well, particularly due to the construction boom. The sales of the Company have been on the steady increase, hiking from ¥4,928 million for the September term of 1958 to ¥5,659 million for the March term of 1959, further to ¥6,125 million for the September term of 1959, and again to ¥7,156 million for the March term of 1960. The declared profit (after tax) also jumped to ¥397 million from ¥364 million, to ¥419 million and further to ¥464 million in the interim, with the profit rate for the March term of 1960 reaching 37.0% against the paid-up capital, and the dividend for the term was retained at 20.0%.

Growth Potential

The stock of Nippon Sheet Glass is one of the blue-chip shares in the stock market. In point of the future growth strength, the Company is one of the best on the list, partly because of the continuous boom of customer industries such as construction and rolling stock and partly because of the successive debuts of new products manufactured by the Company. The rising spell of annual exports is another stimulant to the business of the Company. Moreover, the stable market for sheet glass will also serve to strengthen the future outlook of the sheet glass industry. With the percentage of foreign shareholders high on the list of the Company's stockholders, the Company is one of the key Japanese companies sufficiently qualified for a place on the roster of Japanese stocks to be chosen for the ADR program.

Among the principal subsidiaries of Nippon Sheet Glass Co., Ltd. are Nippon Glass Fibre (capitalized at ¥80,000,000: the Company's investment, 81%); Nippon Safety Glass (¥100,000,000: 100%); Isolite Industry (¥150,000,000: 54%); Nippon Iron Works (¥12,000,000: 50%), etc.

Nissan Motor Co., Ltd.

President .....*Katsuji Kawamata*
Capital *¥11,000 000,000*
Settlement Terms .....*Each half year, in March and September*
Dividend.....*¥7.5 per share per annum*
Principal Lines: *Manufacture and Sales of automobiles and parts thereof; Manufacture and Sales of Machine Materials.*

Biography

Nissan Motor Co., Ltd. was established in December, 1933 under the name of Jidosha Seizo K.K. (Automobile Manufacturing Co., Ltd.) through the joint financing by Nippon Sangyo and Tobata Casting. In June, 1934, Nippon Sangyo took over the stocks held by Tobata Casting, and the company changed the trade name to Nissan Motor Co., Ltd. Since its inception, Nissan Motor has been devoting itself to mass production of various types of motor cars including above all the "Datsun." The Company made fresh advance in 1936 when it succeeded in inducting automobile manufacturing equipments from Graham Page Co. (U.S.) and starting mass production of motor cars under the direction of an American engineer specially invited from the United States. New factories were constructed in rapid succession at Yokohama, Tsurumi Hamamatsucho, Yoshihara, Atsugi and Totsuka. During the war, the Company also was engaged in the manufacture of engines for aircraft for training purposes side by side with the production of motor cars. It was at that time that the Company changed its name to Kokusan Heavy Industries, Ltd. The Company sustained almost no damage from the Pacific War, but its factories at Yokohama and Tsurumi were requisitioned by the Occupation Forces, although they were returned to the Company in April, 1955.

In the interim, the Company returned to the old name of Nissan Motor Co., Ltd. in April, 1949. Through the successive capital expansions made on eight occasions later, the Company has grown into a ¥11,000 million concern as of October 1, this year. It was in December, 1952 that the Company concluded a contract with Austin Co. (U.K.) for the induction of technical knowhow for manufacturing Austin cars, and succeeded in making the "completely-Japanese Austin" in September, 1956. The Company has since been manufacturing a wide variety of new-model cars to cater to the domestic demands as well as overseas sales in Formosa and other Southeast Asian countries as well as the United States.

Present Position

Nissan Motor Co., Ltd. is now manufacturing almost all types of motor cars, ranging from passenger cars and trucks to gasoline cars and diesel cars with its annual production accounting for about 30.0% of the national total. Its monthly output today well exceeds 10,000 cars, or about five fold the monthly average of 2,000 cars in 1955. Especially noteworthy is the increase in the production of passenger cars which at present reaches about 5,000 (nearly 50.0% of the total output), more than 7 fold the corresponding output five years ago in 1955 when the output stood at about 660 cars (and 32.0% of the total). The two compact cars placed on the market by the Company in 1959 through 1960—"The Datsun Bluebird" and "The Nissan Sedric"—have been overwhelmingly popular. Meanwhile, the Company boasts of the largest production of passenger cars in this country.

Business Results

It goes without saying that the demand for motor cars in Japan has been notably active, particularly for passenger cars in recent years. To cope with the situation, the Company has been swiftly bolstering its production front. Its factories at Yokohama and Yoshiwara are being expanded and rationalized, and the work on the construction of a passenger car plant has been started on a spacious (1,180,000 square metres) site in Oppama in Kanagawa Prefecture. The Company is ready to spend the total sum of ¥21,000 million for equipment investments for new plants, especially for passenger cars, in 1960 through 1961. As part of the ambitious construction project, a new body mill and an assembling plant will be erected at the Oppama factory in order to double the production of passenger cars to 10,000 cars monthly. Also planned is the construction of a high-speed test course and a technical laboratory to enable the production of passenger cars of better quality and better function.

The Company is also devoted to the replenishment of its sales network both for domestic customers and overseas clients. The Company's exports, which amounted to only 30–40 cars monthly about three years ago, have now increased to 1,000 cars, or about 10.0% of the monthly production, to head the list of exporting firms. The Company's efforts are bearing fruit as the sales have been on the steady gain. The sales for the half-year term ended September this year are estimated to have totalled ¥37,000 million with the declared profit reaching ¥3,300 million, registering the increases of 20.0% and 16.0%, respectively, over the sales and the profit for the preceding term (ending in March) at ¥30,900 million and ¥2,839 million. The profit rate for the September term thus stood at over 80.0%, well sufficient for the retention of the 15.0% dividend (per annum). According to present indications, the Company is certain to see its business swelling in the rest of 1960 through 1961. With the completion of the new Oppama factory scheduled in the autumn of 1961, the production and sales are expected to be increased by 40–50%, and the further expansion now planned will lead to a larger gain. The Company's production, estimated to stand at 12,000–13,000 cars at the close of 1960, will lead to the 20,000-car level at the end of 1961, and further swell to 30,000 cars during 1962. Within three years, passenger cars will come to account for about half the total output with the export sales thereof reaching 20–30% of the total export shipments.

Growth Potential

Parallel with the expansion of the production scale, the Company will come to demand more funds including the estimated sum of about ¥21,000 million which it plans to invest in plants and equipments in 1960 through 1961. With the annual spending for equipments expected to average ¥10,000 million in several years to come, a series of new capital expansions are believed certain, as more operating funds will be required to cope with the increasing production, although equipment funds may be taken care of with owned funds including internal reserves and depreciation. A 50% capital expansion is understoodly set in 1961 to finance the expansion of the Oppama plant, with another capital increase due to come in a few years. Thus, the Company's capital will be doubled or tripled in the coming three or four years, although the 15% dividend will be maintained, plus some share dividends. The Company's stocks are popular on the securities market, and its growth potential assures that it is one of the leading Japanese firms with a great growth potential.

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Oki Electric Industry Co. Ltd.

President .....*Suteji Kambe*
Capital *¥2,160,000,000*
Settlement Terms .....*Mar. 30 & Sept. 31*
Dividend .....*¥7.5 per share per annum*

Principal Lines: *Telephones, telephone exchanges, telegraph equipments, carrier equipment, wireless communication equipment, acoustic appliances, electric clocks, measuring instruments, radar and its installation materials, etc.*

Biography

This firm was established in November, 1949, as the second company of Oki Electric Co. Ltd., which was a successor to the Meikosha set up as early as in 1881. The company was capitalized at ¥180 million when it was formally incorporated in 1949 under the Enterprise Reconstruction and Adjustment Law. Making steady progress after its postwar rebirth, it boosted its capital to ¥360 million in October, 1952; trebled it to ¥1,080 million in August, 1956; and again doubled it to ¥2,160 million in October, 1959. Manufactured at the Shinagawa Plant are manual and automatic telephone exchanges. The Shibaura Plant has been reorganized and had its equipment modernized so that wireless equipment, telephone sets and electronic appliances are being made on a big scale. The Fukushima Plant is making mainly automatic telephone exchange parts, electric clocks and fire alarm, etc. With its first stage construction works completed in November, 1958, the Takasaki Plant has been expanded and adjusted so as to specialize in the manufacture of telegraph equipments and business machines.

Since the days of its predecessor, the company has been devoting every effort for development of new techniques and equipment. In April, 1959, for instance, it entered into a cooperation contract with Japan I.B.M. Co. and I.B.M. World Trade Corporation (USA) for development and manufacture of high speed printers.

Present Situation

Oki Electric Industry ranks among the big three makers in the communication equipment industry, and it is the second largest firm, next only to Nippon Electric. Leading communication equipment makers are all in intimate tieup with world-famous interests abroad: Nippon Electric with International Standard Electric (USA), Fuji Tsushinki with Siemens interests (Germany), and Matsushita Electronic with Philips (Netherlands), all cooperating with each other financially and technically.

But the company has no financial connection with any foreign firm, though it has introduced technical know-how from Western Electric, R.C.A. and Raytheon. For all this, its technical ability is highly appreciated at home and abroad as may be seen in its successful bids in international tenders. In 1959, the superior performance of its highspeed line printers was recognized even by I.B.M. interests, so a technical development contract was signed with them on an equal footing as mentioned above. Its high-speed line printers are installed in I.B.M. electronic computors. In the past few years, the company has accomplished such remarkable headway that it has transformed itself from telephone makers to integral manufacturers of communication equipment. And indications are increasing that it will further develop into electronic equipment manufacture.

Telephones and telephone exchanges are still by far the most important products, accounting for as much as 52% of the total sales. Needless to say, the best client is Nippon Telegraph & Telephone Public Corporation, which has been stepping up a five-year expansion plan. And orders from this public corporation certainly will increase more than ever along with the progress of the five-year plan.

Nippon Telegraph & Telephone Public Corporation is planning to carry out the second five-year expansion plan with the total cost of ¥600 billion. Telephone service will be expanded for 400,000 new subscribers in the current fiscal year and for 500,000 new subscribers in fiscal 1961. If such an ambitious plan proceeds on schedule, requirements will further rise up for telephones and telephone exchange equipment.

Business Results

As for telephones and other equipment to be delivered to Nippon Telegraph & Telephone Public Corporation, prices were cut off in April, this year. But there is no fear that because of this Oki Electric Industry Company find its profit conditions turning for the worse. Prices are to be fixed through negotiations between Nippon Telegraph & Telephone Public Corporation and communication equipment manufacturers, so the latter can expect that due profit will be warranted. Proper price cutting may well be regarded as a matter of course because Nippon Telegraph & Telephone Public Corp's orders will increase substantially.

The profit rate had been 50–60%, but it fell off to 38% in the term closing with March, 1960. This was ascribed to the drastic capital boost of October, 1959. In the following term ending with September, this year, sales turnover is estimated to have reached nearly ¥5,500 million, and net profit ¥440–450 million. Thus, the profit rate will rally to 42%, so the dividend rate will be kept at 15% as ever. In the current term ending with March, next year, sales will make another jump to ¥6,500 million, and profits to upwards of ¥500 million. And the dividend certainly will be declared at 15% as in the past terms.

Growth Potential

Oki Electric Industry Company is well able to look for stable growth if orders flow in smoothly only from Nippon Telegraph & Telephone Public Corporation. Prospects are getting brighter for it, because requirements will further brisk up for office equipment and electronics upon which the company is planning to concentrate production efforts in the future.

At the Takasaki Plant, the second-stage expansion program for office equipment will be completed next spring, making a new contribution to business results. In view of the ever-growing demand for teletypewriters and other office equipments, the company expect that its growth five years hence will be three times as large as the present scale. And this may not be an over-estimate.

As it is most likely that communication appliances and equipment will be transistorized increasingly, the company is now planning to build a new plant at Hachioji for manufacture of transistors. With an estimated ¥2.7 billion cost, cross-bar exchange manufacturing facilities at the Shinagawa Plant will be enlarged; and the Shibaura Plant modernized and expanded. As a result, the company will take measures for capital boost next spring in all probability.

Sony Corporation

President .....*Masaru Ibuka*
Capital *¥900,000,000*
Settlement Terms .....*Apr. per share 30 & Oct. 31*
Dividend .....*¥15 per share per annum*

Principal Lines: *Manufacture and sales of tape recorders, transistorized radio sets, transistorized TV sets, magnetic recording tapes, semi-conductor devices and products, etc.*

Biography

This company was formally incorporated, with its capital at only ¥190,000, in May, 1946, succeeding to the Tokyo Communication Research Institute founded a year ago by President Ibuka and his colleagues. These promoters were all engineers or officers of the defunct Nippon Measuring Instruments Company, which manufactured electronic arms and supplies in time of war.

The company boosted its capital to ¥600,000 in October, 1946. It has since increased its capital six times in rapid succession: to ¥200,000,000 in January, 1957; to ¥400,000,000 in November, 1958; and to ¥900,000,000 in November, 1959. And its capital will jump to ¥1,100,000,000 in November, this year. Funds thus raised will be invested for expansion of the main plant in Tokyo and construction of a new works at Sendai. Though a postwar newcomer, it has firmly established itsef as an integral manufacturer of various communication appliances and equipment in a matter of a decade.

Present Position

Sony is a communication equipment maker of medium standing. Its principal products are transistorized radio receivers, tape recorders, transistors and recording tapes. Transistorized radio sets and tape recorders account for an overwhelmingly large portion of the total sales.

The company is well known abroad as makers of transistorized ratdo sets and tape recorders, so much so indeed that Sony appears to have become a popular name for transistorized midget radios. In fact, overseas shipments comprise more than 40% of the tolal delivery as more efforts have been directed toward exports rather than domestic marketing. For promotion of export trade, independent subsidiaries have been set up in the United States and Ireland, and they are engaged not only in sales but also assembling as well.

If he had visited Japan before the conclusion of the US-Japan Security Treaty, President Eisenhower would have inspected Sony's Shinagawa Plant. It was really the only private establishment included in the US President's itinerary in Tokyo. All this reveals the deep interest in Sony products of Americans, including even the Chief Executive.

The company has successfully developed such excellent techniques as have brought about its steady growth. Its Ezaki diodes, for instance, have won expert admiration earlier in the United States than at home.

As for transistorized radio sets, a quantitative restriction has been imposed upon exports to the United States, and it is feared that overseas sales will shrink markedly. Insofar as Sony is concerned, however, no evil effect has been brought about, for the company has been striving for greater sales of FM radio sets (which are outside the export quota) rather than transistorized sets.

Business Results

In the six-month term ending with April, 1960, sales amounted to ¥5,361 million and profits to ¥553 million. The profit rate stood at as high as 123% and the dividend was declared at 30%. As for the May-October term, it was feared that business would turn for the worse due to the export restriction as mentioned above, but in fact sales is estimated to eclipse the ¥6-billion mark. Profits will be not less than ¥600 million, so the company will be able to keep the dividend rate at 30%.

Business will further improve in the forthcoming terms. Sales won't grow so briskly as ever for transistorized radio sets, but tape recorders will enjoy better selling. Moreover, the production of transistorized TV sets well be put into full operation: 1,200–1,300 units a month are already being made. As a whole, therefore, business will continue growing at the same rate as ever. In the term ending with next April, sales will climb up to ¥7 billion and profits ¥700 million in all likelihood.

Due to the ever-increasing sales of three major products, i.e. transistorized radio sets, tape recorders and television receivers, it appears to be almost unimaginable to what extent the company will be able to boost its business scale. In addition, the next hope is transistorized TV sets, and video-tape recorder and Ezaki diodes, or two epoch-making new items, will become dollar boxes sooner or later. Dr. Ezaki, inventor of the diodes, is now working at I.B.M. headquarters for improvement of circuit technique, and it is expected that his company will get a lot of royalties from the American company.

For mass production of transistorized TV sets, preparations appear to have been completed, so shipments will gradually increase to the United States and the European countries.

Growth Potential

The fourth-stage expansion plan has been pushed at the Shinagawa Plant, and a new plant under construction at Atsuki will be completed in October, 1960. The new plant will mass-produce transistors for radio sets, and transistor making equipment will be transferred there from the Shinagawa Plant, where assembling capacity will be expanded for radio and TV sets.

Funds necessary for expansion of the Shinagawa Plant and construction of the Atsuki Plant have been covered by internal reserves and external loans. No attempt for capital increase is made for this purpose, though it is quite possible to do so because the company is enjoying very high profit.

After the completion of the present construction works, however, the company will try to boost its capital in the not remote future. Indications are that its capital will be doubled next spring.

Sales will go up to ¥6 billion in the term ending with October, 1960, and to ¥7 billion in the following six-month period. Its business will grow continuously at the rate of 10–15 % a year.

Royalties will flow into Sony's dollar box if and when the Ezaki diodes, one of the most epochal inventions even in the world, are used widely in electronic computers and other equipment. This means that there are some unknown but encouraging factors in the future of the company. Little wonder that even American investors have come to take interest in Sony shares.

Sumitomo Electric Industries, Ltd.

President .....*Kazue Kitagawa*
Capital *¥4,500,000,000*
Settlement Terms .....*Twice annually, in March and September*
Dividend .....*¥7.5 per share per annum*
Principal Lines: *Manufacture and Sales of Electric Wires and Cables, Special Metal Wires, Sintered Alloy Products, Air Spring, Antivibrators, etc.*

Biography

Sumitomo Electric Industries, Ltd. was born as a corporation directly affiliated to the defunct Sumitomo interests, one of the most influential financial houses before the Pacific War. The origin of the Company is traced back to the Sumitomo Electric Wire Manufactory established by the House of Sumitomo in August, 1911, although it was in existence since 1897 as part of the Sumitomo Copper mill. The growth of the manufactory has since been fast and energetic. In 1920, the Company grew big enough to conclude a capital-technical tieup contract with Western Electric (U.S.), and made a fresh start in December in the same year as a joint-stock company capitalized at ¥10,000,000. The Company took the present name in 1939. In the interim, the Company devoted itself to the expansion of research facilities and the induction of foreign technical knowhow. Through such efforts, the Company in those earlier days succeeded in concluding technical tieup contracts with five leading foreign firms in the United States, the United Kingdom and Italy, including Western Electric, its first overseas partner. Ever since, the Company has continued playing a leading role in the electric wire and cable industry of the nation.

The Company has now grown into a ¥4,500 million corporation with 90,000,000 issued shares, of which 11,600,000 shares (or about 13%) are possessed by International Standard Electric Co., U,S. (the overseas investment division of Western Electric.)

Present Position

As one of the top-ranking manufacturers of electric wires and cables, the Company's sales in the business year of 1959 totalled ¥29,300 million, comprising ¥20,800 million (71% of the total sales) in electric wires and cables, ¥3,400 million (11.6%) in special metal wires (particularly piano wire rods), ¥1,500 million (5.1%) in sintered alloy products, and ¥3,600 million (12.2%) in rubber goods and other sundry products. Firmly established in electric wires and cables, the Company caters to a number of big customers in this field, such as the Nippon Telegraph & Telephone Public Corporation, the National Railways, electric power companies, and electric machinery manufacturers. Unrivalled in the production and sales of electric wires and cables, the Company also boasts of a high standard of technical advance.

One of the epoch-making products manufactured by the Company is the OF-type condenser (invented by Mr. Kitagawa, president of the Company in 1934), now being manufactured by Nisshin Electric Mfg., one of the Company's subsidiaries. For the production of this condenser, the Company concluded a technical assistance contract with Standard Telephones & Chemicals Co. (U.K.) for five years starting 1954. A similar contract to extend technical assistance for the manufacture of this condenser was signed with *Deacon* Condenser Co. (Australia) in February, this year for the period of 10 years. The Company is also exporting manufacturing equipments of the Formet wires (synthetic-resin coated electric wires for motors) to Standard Telephones & Chemicals. Under a contract with India, the Company's technical knowhow about the production of bare wires and super-hard sintered alloy tools is also being exported.

Business Results

The sales of the Company in the half-year term ended March, this year totalled ¥16,200 million for the declared profit of ¥1,214 million with the profit rate against the proceeds standing at 7.5%. Against the paid-in capital of ¥4,500 million, the profit rate is as high as 54.0%. In addition, the Company in the term under review set aside the sum of ¥310 million for internal reserves such as the bad debt reserve, the price fluctuation reserve and the retirement allowance reserve. Thus, the actual profit for the term exceeded ¥1,500 million, amply sufficient for a 15% dividend it gave for the term. The sales for the September term are estimated to have reached ¥18,500 million, or an increase of 14.0% over the preceding term, and the declared profit estimatedly reached ¥1,400 million, enough for the retention of the 15.0% dividend.

Growth Potential

The demand for electric wires and cables, the mainstay of the Company's business, is rosy. The annual demand is expected to increase at the rate of 10.0% at least for some time to come because of the progress of power resources development, electrification by the National Railways and the production of electric machinery. To cope with the favorable prospects, the Company is now erecting a new plant for communication cables in Yokohama. The growth of other specialities like sintered alloy tools, rubber goods and special metal wires is also assured. According to the Company's plan, the annual production will be increased by 60% for electric wires and cables, tripled for special metal wires and sintered alloy tools, and more than quadrupled for synthetic resin products in the coming five years. The Company is expected to double its capital in the first half of 1961, and the dividend may then be reduced by 3% to 12%. Thus, the Company's future growth strength is guaranteed.

Sumitomo Electric's Business Results in Recent Terms

Terms	Sales (¥ million)	Profit (¥ million)	Profit Rate (%)	Dividend (%)
Oct., 1958—Mar., 1959 . .	10,451	411	18	12
Apr., 1959—Sept., 1959 . .	13,187	489	22	12
Oct., 1959—Mar., 1960 . .	16,205	584	26	15

Sumitomo Electric's Scale of Business as of End of March, 1960

Authorized Capital Shares: 360,000,000
Issued Shares: 90,000,000
Capital: ¥4,500 million
Re-evaluation Reserve: ¥1,420 million
Number of Employees: 6,077
Number of Stockholders: 32,910
Major Stockholders (In 1,000): I.S.E.—11,599; Sumitomo Mutual Life Insurance—4,800; Nippon Life Insurance—4,500; Nippon Electric—3,850; Sumitomo Bank—3,375.

Toa Nenryo Kogyo K. K.

President .....*Nobuhei Nakahara*
Capital .....*¥5,990,380,000 (¥50 per share)*
Settlement Terms .....*June, December*

Dividend .....*¥10 per share per annum*
Principal Lines: *Petroleum refining.*

Biography

Toa Nenryo Kogyo K. K. was formed in July 1939 by ten companies, mainly oil companies, for the operation of refineries in Shimizu and Wakayama. Toward the end of the war, the Wakayama refinery suffered intensive airraid damage, and business was virtually at a standstill at the time of the surrender.

In July 1949, restoration and reopening of refinery facilities was authorized by the Occupation authorities, and the first tankers began unloading crude at the Shimizu refinery in January 1950, and at Wakayama in April the same year. This marked the start of postwar operation.

After completion of restoration of facilities, Toa Nenryo has made vast strides in expansion and modernization of equipment; and, with the general prosperity enjoyed by the oil refining industry in Japan, has achieved signal success. Currently, Toa Nenryo ranks foremost among the oil refining companies of Japan, both in capacity and in performance, and is in a position of leadership in the processing of crude.

Present Position

Toa Nenryo currently is capable of processing daily 6,920 kiloliters (43,500 barrels) of crude at its Shimizu refinery, and 9,060 kiloliters (57,000 bbl.) at Wakayama. This is 15.8 per cent of the total refining capacity of 101,310 kiloliters now available in Japan. In 1959, Toa Nenryo produced 16.6 per cent of all petroleum derivatives manufactured in Japan.

Furthermore, the site locations at Shimizu and Wakayama are extremely advantageous, both being port cities with facilities for the berthing of supertankers, while the consumption centers are close by. Through participation of Standard Vacuum Oil, Toa Nenryo has access to the latest developments undertaken by Standard Oil's Esso Research and Engineering Company. This technological advantage gives this company a big edge over its competitors. The high-octane motor gasoline facilities at Shimizu and Wakayama, and the high-octane aviation fuel and high-grade lubrication oil facilities at Wakayama are manifestations of the advanced technology to which Toa Nenryo has access.

Business Results

Distribution of Toa Nenryo's products is assigned entirely to Standard Vacuum. But because pricing is regulated by the differential between the price of imported petroleum derivative and the going domestic price for a product, Toa Nenryo enjoys an advantageous stability of business.

In addition to the superior basis of operations enjoyed by this company, the business policy pursued is a model of soundness. Borrowings are extremely small. Consequently, in earnings, Toa Nenryo is head and shoulders above its competitors. During the business term ended June 30, 1960, the company reported business income of ¥21,000 million against which there was shown a profit, before taxes, of ¥3,326 million. This means a profit on paid-up capital of 110 percent, so a dividend of 20 percent can easily be paid. For the current business term, it is predicted that the quantity of products sold will increase; but because prices have been reduced profit will in all probability be about equal that achieved during the June term. Nevertheless, considering the growth potential of petroleum product requirements, there is not the slightest worry about this company's future. Since its competitive strength is adequate, the anticipated liberalization of trade and imports will have little or no adverse effect on the company's business.

Growth Potential

Among the factors pointing to future growth of Toa Nenryo is the projected construction of its Kawasaki refinery and petrochemical works (site area, 850,000 sq. meters). The petrochemical operations, for which government permit is now pending, are projected as a comprehensive processing facility capable of producing 62,000 tons of ethylene and 50,000 tons of propylene per annum. These products will be sold to Nippon Unicar (a 50-50 enterprise formed by Nitto Chemical and Union Carbon and Carbide), Showa Denko, Asahi Dow, Nippon Geon and others. The funds requirement for this project is estimated at ¥9,600 million, and the operation will take the form of a separate company. Construction work is scheduled to begin as soon as the government permit is granted, and completion is expected before the end of 1961. The projected petrochemical operation is expected to result in ¥11,200 million-worth of sales, yielding profit of some ¥3,200 million.

On sites adjacent to Kawasaki refinery and petrochemical operations of Toa Nenryo are the refineries now being built by Toa Nenryo subsidiaries, Nikko Oil and General Oil. These plants are scheduled for completion before yearend 1960.

The situation, however, is such that Toa Nenryo must undertake prompt expansion of its own refining capacity. Its new Kawasaki plant will probably possess a daily capacity of at least 50,000 bbl. Once a formal decision to build is made, there will arise a need for funds, and recapitalization can be expected as a matter of course.

Toa Nenryo, it will be seen from the foregoing, is in the preparatory stage for another big jump in growth. The potential it harbors is of adequate size. The oil requirements of Japan can be gauged from the fact that the use of fuel oil, at 22,930,000 kiloliters in fiscal 1954-55, is expected to exceed 30 million kiloliters this fiscal year, ending March 31, 1961. From the long-range viewpoint, petroleum as a source of energy is most certainly in the fore of the general shift to free-flowing fuels, and increase in requirements is a foregone conclusion. According to the Economic Research Council the demand for petroleum in fiscal 1970-71 will increase to 89,300,000 kiloliters, 4.3 times the actual consumption in fiscal 1959-60. In round figures, it can be said that requirements will double in five years, and become four to five times as much as at present in ten years.

Factors that must be considered, however, are the world tendency toward overproduction of petroleum, and the materialization of decontrol of import trade, which are tending to soften the local prices of petroleum products. Toa Nenryo, despite this situation, will doubtless forge ahead in growth as the undisputed leader of the industry. Great hopes can be placed on the future of this company.

Tokyo Electric Power Co., Inc.

President.....*Kin-ichi Aoki*
Capital.....*¥60,000,000,000*
Settlement Terms .....*Mar. 31 & Sept. 30*
Dividend .....*¥50 a year per ¥500-share*
Principal Lines: *Generation, distribution and sales of electric power.*

Biography

The history of this firm dates back to July, 1886, when Tokyo Electric Light established by the late Mr. Sakuro Yajima. It was the first power concern in Japan, set up only two years after the initiation of the power industry in England and the United States. The Rokumeikan, or a well-known social centre in the early Meiji years, was lighted by incandescent lamps for the first time in this country in January, 1887.

In June, 1923, Tokyo Electric Light succeeded in floating £3,000,000 worth of Sterling bonds (unsecured, 6% a year) for the first time among Japanese private interests. In February, 1925, it again floated Sterling bonds of £600,000 (unsecured, 6% per annum). In August, the same year, Dollar bonds of $24,000,000 were floated in the United States. These foreign securities were converted into $70,000,000 Dollar and £4,500,000 Sterling bonds in 1928.

Late in 1920's an opinion for control of the power industry gradually got louder with the introduction of semi-wartime economy. And the much-discussed power control took a definite shape in April, 1938, when the Nippon Electric Power Generation & Transmission Corporation was established. Tokyo Electric Light offered, as investment in kind, its important thermal plants, transmission lines and substation facilities to this national policy organization, and it retained only water plants and distribution lines for its business.

With the termination of hostilities, power supplies and requirements abruptly declined due to the sudden stoppage of military needs. For reconstruction of war-damaged power plants, funds were offered through official channels, i.e. the Reconstruction Finance Bank and then the US Aid Counterpart Fund. Late in 1950 the Public Utilities Ordinance was promulgated under the direction of the Supreme Commander for the Allied Powers and Tokyo Electric Power was organized jointly by Nippon Power Generation & Transmission Corp. and Kanto Power Distribution in May, 1951.

Present Position

Since its establishment, Tokyo Electric Power has been making steady growth. Both supply and demand have more than doubled from 1951 through 1959. As for demand, the company's percentage against the nine power companies' total has been increasing with the exception of 1956, and it has been eclipsing a quarter since 1958. Particularly remarkable has been its share in electric lights: more than 30% since 1952, approaching closely the one-third level.

Abreast with the growth of requirements, power companies have had to expand their plants and equipment, so their capital has increased to the extent that their accounts have turned for the worse. In this light, the electric rates have been raised thrice (in August, 1951, May, 1952, and October, 1954). They will be upped again within the current fiscal year in all likelihood.

Since the third rate upping of 1954, power companies have of course been strengthening their efforts for rationalization. The fuel consumption ratio, for instance, dropped off from 0.708 kg/kWh in fiscal 1954 to 0.469 kg/kWh in fiscal 1959; and the thermal efficiency rose from 19.79% to 33.05%. The overall loss ratio also improved from 20.3% to 15.2%. Annual power sales per employee (covering the nine power companies) went up from 298,000 to 555,000 kWh in the meantime.

It mst be noted, however, that the cost of power generation has steadily been rising in line with the progress of development and construction projects. Reasons are twofold: 1) water power plants have to be constructed in remoter and steeper mountains, and 2) the cost of thermal power is relatively higher than that of water power. Herein lies the very reason for frequent rate upping.

The most important event since the founding of Tokyo Electric Power is the introduction in 1958 of the so-called wide area coordinated operation of power plants. After their postwar establishment, the nine power companies found their mutual gap getting wider and deeper. On the other hand, power stations became larger in capacity, and transmission lines bigger in voltage, so the nine power companies found their areas getting wider and wider. Thus, a clamor began to sound louder in 1957 for reshuffling of the power industry. A section of interested circles went so far as to call for merger of Tokyo Electric Power with Tohoku Electric Power. But other quarters strongly advocated the status quo. As a compromise plan, the wide area coordinated operation was put into practice in 1958. Under this plan, Tokyo Electric Power, together with Tohoku Electric Power and Power Development Corp., constitute one group for the Eastern Area, where joint efforts are being pushed for proper coordination of development works and equipment operations.

Growth Potential

As power supply is one of the important public utilities, the electric rates are strictly controlled by the Government, and supply demand relations can never be adjusted by pricing policy. Then, the power industry requires an increasing amount of equipment funds in line with the pickup of demand and a longer period for construction of plants and equipment. Thus, it is essential for any power firm to map out a long-term business program.

Tokyo Electric Power, therefore, set up a committee for long-term planning ahead of other interests. Late in 1959, the committee worked out an extra-long-term plan from 1958 through 1957. Under this plan, it is estimated, power needs will increase at the compound rate of 8.5% a year up to 1975, and generation capacity will have to be expanded from 3,430,000 to 14,970,000 kw in the meantime, or a 4.4-fold boost. Including other related facilities, ¥1,961 billion of capital will have to be invested (not including ¥994.2 billion needed for redemption of old debts).

Power requirements, however, have been growing more rapidly than anticipated toward the end of 1959. And the extra-long-term schedule had to be revised upward in October, 1960. Under the revised plan, requirements are expected to grow at the compound rate of 11.4% a year from 1959 through 1970 as compared with the yearly rate of 9.2% in the same period under the original plan. It means that the plan will be carried out five years earlier.

Tokyo Shibaura Electric Co., Ltd.

President .....*Fumio Iwashita*
Capital *¥25,000,000,000*
Settlement Terms .....*Twice annually, in March and September*

Dividend .....*¥7.50 per share annually*
Principal Lines: *Manufacture of a Wide Variety of Heavy and Light Electric Machines*

Biography

Tokyo Shibaura Electric Co., Ltd. made its debut in September, 1939 through the amalgamation of Tokyo Electric, a leading manufacturer of light electric machines, and Shibaura Manufactory, a major maker of heavy electric machinery. The two predecessors were old in their respective histories. Shibaura Manufactory was founded in 1875 under the name of Tanaka Manufactory, and was noted for the manufacture of generators, motors, transformers and other prime movers. Later—in June, 1904 to be exact—the Manufactory was reorganized into a joint stock company under the name of Shibaura Seisakusho. Ever since the Company has devoted itself to the production of motors, generators, transformers, switchboards, and a variety of other electric machinery and equipments. In 1932, the Company tranferred its factory to the present site of Tsurumi Works, while in 1938, the Company started establishment of the present Mie Works in Mie Prefecture. In about 1935, the Company has been producing one quality product after another in electric machines and equipments. Under the direct control of the Mitsui interests, it was closely affiliated with I.G.E. of the United States both in financial and technical phases. Tokyo Electric, established in 1890, was the pioneer in the manufacture of electric bulbs in this country, and was also tied up closely with I.G.E. As one of the few foremost manufacturers of almost all kind of electric machines. In 1899, the Company changed its name to Tokyo Electric, while in 1913, it transferred its main factory to the present site of Horikawacho Works in Kawasaki, Kanagawa Prefecture. Later, the Company added a coterie of factories to its production forces and extended its business lines to lighting equipments, X-ray tubes, electric measurement instruments and radio sets. It was about this time that the Company initiated its deep ties with the International General Electric of the United States.

Present Position

Tokyo Shibaura Electric today has 21 factories and two laboratories. Its products today extends over a wide variety, including electric bulbs (including fluorescent lamps), electron tubes, semi-conductors, household electric appliances, communication equipments, generators, rotary electric machines including motors, transformers, circuit-breakers, switchboards, switch and control equipments, rectifiers, lightening conductors, relays, batteries and other stationary machines as well as water wheels, electric locomotives, equipments for atomic reactors and various insulating materials. Classifying the products of the Company roughly into light electric machines and heavy electric machinery, the sales are divided into 70% of the former and 30% of the latter, although the latter had the heavier weight right after the war's termination. The Company is one of the key Japanese firms more closely linked with foreign capital and technique. Particularly well known is its traditional partner ship with I.G.E. (U.S.).

The growth of the business of Tokyo Shibaura Electric has been spectacular. The sales of the Company in the semi-annual term ended September, 1956 amounted to ¥19,690 million, but grew to ¥24,790 million in the following term ended March, 1957. The sales continued to grow further to ¥29,150 million for the September (1957) term; to ¥36,028 million for the March (1958) term; to ¥40,106 million for the March (1959) term; to ¥52,030 million for the September (1959) term, and then to ¥62,300 million for the March (1960) term.

Business Results

It is roughtly estimated that the sales for the half-year term ended September this year rose to the new peak of about ¥70,000 million. Although the sales of television sets have slowed down somewhat in recent months, the fair tone of the sales of household electric appliances as well as transistors and semi-conductors are making up for the loss. The prospective profit for the September (1960) term at well over ¥7,000 million represents the profit rate of more than 55.0% against the paid-up capital of ¥25,000 million, more than sufficient to maintain the present dividend rate of 15.0%.

Growth Potential

Tokyo Shibaura has been positive in making fresh investments in plants and equipments. For the current fiscal year, the Company has earmarked ¥18,000–20,000 million for new equipment investments including the expansion of the factory for household electric appliances and new plants for color television sets, transistors, etc. as well as the new central labaratory. In consideration of the increasing demand for fresh funds, the Company's capital is still too small. Speaking of the capital composition of the Company as of the end of March, 1960, net worth accounted for ¥47,700 million or only 36.1% of the total liabilities and net worth, although it stood better than 30.0% for Hitachi, Ltd. and 26.0% for Mitsubishi Electric. For the improvement of the ration of net worth, the Company is now considering a capital expansion by about 50.0%, but the retention of the 15.0% dividend is considered possible in view of the Company's present profitability.

While receiving technical assistance from I.G.E., R.C.A. and other firms in the United States, Tokyo Shibaura Electric has been on its part extending technical support of India, Formosa and other countries.

Tokyo Shibaura's Business Results in Recent Years

Terms	Sales (¥ million)	Profit (¥ million)	Profit Rate (%)	Dividend (%)
Oct., 1958—Mar., 1959 . .	45,729	4,181	56	15
Apr., 1959—Sept., 1959 . .	52,029	5,234	70	15
Oct., 1959—Mar., 1960 . .	63,200	6,154	64	15

Tokyo Shibaura's Scale of Business as of March 31, 1960

Authorized Capital Shares: 700,000,000
Issued Shares: 500,000,000
Capital: ¥25,000 million
Re-evaluation Reserve: ¥5,670 million
Number of Employees: 32,640
Number of Stockholders: 218,411
Major Stockholders (In 1,000): International Central Electric—25,267; Daiichi Mutual Life Insurance—19,400; Daiwa Bank—14,475; Mitsubishi Trust & Banking—14,455; Mitsui Bank—10,800.

Toyo Rayon Co., Ltd.

President ..... *Hirosaburo Mori*
Capital *¥12,000,000,000*
Settlement Terms ..... *Mar. 31 & Sept. 30*
Dividend ..... *¥9 per share per annum*

Principal Lines: *Rayon, Nylon, Tetoron (polyester textile), Pylon (polyethylene textile), Toraylon (acrylonitrile textile), dyeing and finishing, synthetic resins, sulphuric acid, carbon disulphide, etc.*

Biography

This company was established in 1926 by Mitsui Bussan Kaisha, which, much interested in rayon, entered into a sole agency contract with Courtaulds interests of Britain in 1919 and launched upon a series of surveys and researches for local production of this man-made fibre in 1923. With construction works immediately started, a plant was completed at Ishiyama by the Lake Biwa and put into operation in 1927. From 1929 through 1930, however, the company suffered a recession, but it began to enjoy growing business in 1932 when business conditions turned for the better and rayon requirements got brisk at home and abroad.

In 1935, the production of not only rayon staple but sulphuric acid and carbon disulphide as well was commenced so that integral operations might be made on a planned basis. In the following year, a subsidiary called Toyo Kenshoku was put into being at Ehime (at present the Ehime Plant) for manufacture of rayon staple and spun rayon goods. A new plant was built at Seta, Shiga Prefecture, for rayon staple spinning and weaving in 1938, and another at Kanetsu, Fukui Prefecture, for silk fabrics in 1940.

In 1941, the company made a long step for further expansion by absorbing Shonaikawa Rayon and Shonaikawa Senko as well as the afore-mentioned Toyo Kenshoku. During the Pacific War, however, it was forced to scale down its rayon business.

After the war's termination, utmost efforts were first directed toward reconstruction of rayon plants and initial production of high tenacity rayon for tire cord. Then, an attempt was made for industrial manufacture of nylon, for which technical research had been pushed since 1938. In 1951, a technical cooperation arrangement was signed with Du Pont interests, and nylon production was commenced on a full scale at two plants (Aichi and Nagoya).

Particular emphasis had since been put on two man-made fibres, i.e. rayon and nylon, until the mass production of Tetoron (Terylene in England and Dacron in the United States) was started in 1955 at the Mishima Plant through technical tieup with ICI interests. Besides, researches and experiments are being stepped up for production of such new textiles as Toraylon (acrylonitrile series), Pylon (polyethylene series) and polypropylene textile.

In the meantime, capital has been boosted five times from ¥200 to ¥12,000 million.

Present Position

Though making all sorts of man-made textiles as above mentioned, the company now is concentrating efforts on synthetics rather than rayon (see Table 1). Of the total turnover of ¥43,870 million in the business term closing with March, this year, nylon accounted for ¥26,670 million or 61% and Tetoron for ¥8,220 million or about 19%, or a combined portion of nearly 80%, leaving only 20% or ¥8,970 million for rayon.

As there are a number of rayon makers, this company comprises not more than 15% of the nation's total rayon output, and its share is only 8% for rayon staple but over 30% for high tenacity rayon. Nylon is produced by two firms, namely this firm and Nippon Rayon, and the former represents as much as 80% of the total turnout. Tetoron is also monopolized by this firm and Teikoku Rayon (which jointly bought technical know-how from ICI), their shares being 50–50.

The company's strength lies not only in such monopolization of new artificial textiles but also in the integral operation of textile business from material production to processing and marketing. Under its wings are a large number of traders, processors, wholesalers and retailers for various products (yarns, fabrics, made-up goods, etc.), who are receiving assistance and guidance in processing and marketing from or controlled managerially by this company. In this way, every effort is being lavished jointly by the mother firm and its designated interests for better quality and price stabilization. Such integration and grouping is regarded as a good example not only in the textile field but in all industries as well.

It is also to be noted that pioneering attempts are being pushed for non-textile use of nylon (moulded plastic products as machine parts) and nylon coated fabrics, production of non-woven fabrics, Tetoron film, etc. As for polypropylene textile, this company and Mitsui Chemical Industry are jointly planning to buy technical know-how from Montecatini of Italy, while on the other hand the same project is undertaken by the Mitsubishi Rayon-Mitsubishi Yuka group. The former combination, however, appears to take the latter at advantage in this new line as it has much experience in polyethylene textile.

Business Results

Profit has steadily been climbing up as listed in Table 2, the majority of it coming from nylon. Tetoron and rayon are much smaller dollar boxes. Thus, the company has been paying a 18%-a-year dividend, yet its internal reserves have been piling up continuously.

In the business term ending with March, 1960, for instance, as much as ¥1,200 million was earmarked as reserves, though dividend payments totalled ¥1,080 million, tax reserves ¥2,700 million, and manager bounses ¥15 million. Besides, ¥4,600 million was alloted for depreciations and ¥220 million for price fluctuation reserves.

The rate of profit against capital was as high as 80%, and the rate of profit against the total capital in use came at 15%. It is one of the highest rates seen not only in the textiles line but in the whole business world.

Growth Potential

As for rayon, requirements are unlikely to increase substantially, though it is not at all a "sun-set" commodity. But the company is striving for creation and expansion of new needs by improving physical and chemical properties of rayon.

For nylon and Tetoron, however, demand will get much brisker than ever. The company is planning to produce new types of nylon for special purposes and to mix these synthetics with other textiles, natural or artificial, and this will further stimulate new requirements. Not only that, efforts will be made for industrial use of these synthetics.

In fiscal 1960, upwards of ¥16 billion is to be invested in equipment. The total equipment investments from 1950 through March, 1960, amounted to nearly ¥80 billion. A huge sum of new funds will further be invested for construction of polypropylene textile equipment, production of various materials for synthetic textiles, and for greater output of nylon, Tetoron and rayon products. For such ambitious expansion, the aforementioned reserves, however enormous they may be, won't be sufficient, so the company is expected to double its capital in the spring of 1961. In two or three years, it will again double its capital in all likelihood.

Time will come sooner or later when the company will gradually develop from the present status of overall textile maker into a gigantic organization undertaking various chemical and textile lines on a highly-integrated scale.

1. Toyo Rayon's Sales

(¥1,000,000, percentages in brackets)

	Oct. '58—Mar. '59	Apr. '60—Sept. '59	Oct. '59—Mar. '60
Rayon	7,154 (21.5)	8,450 (22.6)	8,973 (20.5)
Nylon	22,694 (68.3)	24,550 (65.5)	26,672 (60.8)
Tetoron	3,376 (10.2)	4,458 (11.9)	8,229 (18.7)
Total	33,224 (100)	37,458 (100)	43,870 (100)

2. Toyo Rayon's Sales & Profit

Term ending with	Sales (¥1,000,000)	Profit (¥1,000,000)	Profit Rate (%)	Dividend (%)
Sept. 1958	25,875	1,382	46	20
Mar. 1959	33,224	2,131	36	18
Sept. 1959	37,458	3,320	55	18
Mar. 1960	43,870	4,853	81	18

Toyota Motor Company, Ltd.

President .....*Taizo Ishida*
Capital .....*¥16,000,000,000 (¥50 per share)*
Settlement Terms .....*May, November*
Dividend .....*¥10 per share per annum*
Principal Lines: *Motor vehicles manufacture.*

Biography

Toyota Motor Company was established in August 1937, formed as an independent corporation out of the automotive division of the Toyoda Automatic Loom Works. The Toyota Group's interest in motor vehicles can be traced back to its founder, Sakichi Toyoda, who undertook intensive study but died before his efforts bore fruit. President Kiichiro Nagayo, his successor as head of Toyoda Automatic Loom, began experimental production from about 1933, and in 1935 was able to turn out for the first time passenger cars and trucks on a commercial basis. After incorporation as a separate entity, the Company built its own plant in Toyota City, and has since continued to operate at this place.

Wartime peak production of 16,302 units was achieved in 1942, trucks being the main product at that time. Several years of adversity were experienced after Japan's surrender in 1945; but with U.S. Offshore Procurement and civilian demand active from about 1950 the manufacture of trucks of various types was resumed on a major scale, while with passenger cars production increased rapidly after 1955 when the *Toyopet Crown* was introduced. Subsequently, Toyota began producing diesel trucks, and is now the leading manufacturer of motor vehicles of all types.

Present Position

Currently, production covers all types of motor vehicles with four or more wheels, ranging from light passenger cars and trucks to heavy-duty vehicles, including gasoline and diesel trucks and buses, special duty vehicles, and vehicles made to U.S. military specifications (for offshore procurement). Production level now stands at approximately 15,000 units per month: some 3,000 standard size units (trucks, buses, and military vehicles), about 7,000 light trucks, and about 5,000 light passenger cars (the 1500 cc *Toyopet Crown*, and the 1000 cc *Toyopet Corona*). With both standard size and light trucks, Toyota Motor now holds more than 40 percent of the market, and is unquestionably the leading manufacturer. In the passenger car field, it is neck and neck with Nissan Motor Company; but output is about 40 percent of the total, and in expansion of equipment for increased production, as well as modernization of plant facilities Toyota is far ahead of its competitors.

Business Results

Because of the late start, as compared to the U.S. and other countries, of the automotive industry in Japan, its growth in recent years has been phenomenal. With trucks, both quality and price are competitive; but with passenger cars it is only recently that anything like commercial production has been achieved. Consequently, costs are still high, and as things stand now the Japanese manufacturers would not be able to compete effectively with foreign producers upon removal of the restrictions on importation of mass-produced cars. Toyota is therefore concentrating effort on increasing production to bring down cost, and is aiming at a level of 30,000 units per month (15,000 cars) by the end of 1962. To this end facilities are being expanded and investment in equipment is being speeded up.

In August last, Toyota obtained a loan of $12 million from the Export-Import Bank of Washington D.C. mainly for importation of equipment from the United States to improve the facilities at the Motomachi and other plants. Capital appropriations of the Company for the coming year or so amount to more than ¥20,000 million.

Production of motor vehicles by Toyota has been going up at a fast pace during the past few years, and this trend is expected to continue into the future. Production of 10,000 units per month was achieved in December 1959; but with the introduction of the new *Toyopet Corona* the 15,000-unit level was exceeded in October, and 20,000 units per month is the target for next summer. Regular sale of the new "people's" car is expected to start early in 1961, and this will open up a completely new market. In this respect, Toyota is in a strong position in that its distributor, Toyota Motor Sales Company, Ltd. has a powerful sales network.

Export, too, is growing steadily. Apart from the military vehicles purchased by APA (U.S. Government), overseas sales of the *Landcruiser* (½-ton, four-wheel drive) and other trucks in Latin America and Southeast Asia are increasing at a good rate, while promotion of the *Toyopet Crown* and the *Toyopet Tiara* (export version of the *Corona*) in the United States and other overseas markets is progressing satisfactorily. While the *Crown* has been sold in the United States since 1957, the new *Tiarya* is a car specially designed to overseas customer requirements in an effort to increase export sales.

Toyota Motor's business results over the past few years have been excellent, with boost following upon boost in production. This is expressed in the figures for the past three years, given in the subjoined table. Adequate allowance is being made for depreciation, while big reserves have been withheld from profit. Yet a high dividend rate of 20 percent is being maintained.

For the term ended May 31, 1960 there was a profit (before taxes) of ¥4,600 million on sales in the amount of ¥45,700 million. To cover depreciation of fixed assets, there was set aside, in addition to the legal reserve of ¥1,800 million, a special extra reserve of ¥840 million. This is more than ample, and is evidence of a high profit rate. The financial standing of Toyota Motor is far above the level usually maintained by Japanese corporations. The financial ratios are: current to fixed assets ratio, 81 percent; current assets to current liabilities ratio, 228 percent; and own capital to borrowings ratio, 60 percent.

Growth Potential

The automotive industry of Japan is entering into a period of competition in the passenger car field. Predicted therefore is a fairly rapid decline of list prices. Toyota too is expected to face some reduction of profit on sales; but with bigger production with modern equipment, its growth in the midst of intensive competition appears fairly certain.

Together with expansion of its operations, Toyota has been steadily increasing its capitalization. Twice this year, in February and in August, new issues of stock were sold to effect recapitalization, and paid-up capital now stands at ¥16,000 million. However, another 50 percent increase is expected early in 1961, and indications are that such recapitalizations will be effected each year. In other words, Toyota is typical of Japan's growing automotive industry. The 20 percent dividend rate also is expected to be continued for some time. Even should there be some reduction subsequent to the next recapitalization, it is unlikely that anything less than 18 percent will be declared.

Toyota Motor Business Results

(In ¥ million; percentage)

Term Ended:	Sales	Profit	Profit Rate	Dividend
Nov. 1957	28,267	2,489	149	20%
May 1958	26,197	2,312	69	20
Nov. 1958	25,046	2,268	68	20
May 1959	32,868	3,378	101	20
Nov. 1959	38,339	3,814	114	20
May 1960	45,652	4,571	103	20

Yawata Iron & Steel Co., Ltd.

President.....*Arakazu Ojima*
Capital.....*¥38,000,000,000*
Settlement Terms.....*Each half year, in March and September*

Dividend.....*¥6 per share per annum*
Principal Lines: *Manufacture and Sales of Pig Iron, Crude Steel and a Wide Variety of Steel Products.*

Biography

Yawata Iron & Steel Co., Ltd. was established in April, 1950 through the dissolution of the Nippon Seitetsu K.K. (Japan Iron & Steel Mfg. Co., Ltd.) under the provisions of the Economic Power Decentralization Law. Nippon Seitetsu itself originated from the Yawata Steel Works, a nationalized enterprise which, founded in 1896 as the oldest steel mill in this country, played a leading role in Japan's steel industry for many years.

Present Position

As its predecessor, Yawata Iron & Steel Co., Ltd. has been playing a predominant position in steel industry. In fiscal 1959 (ending March, 1960), the Company manufactured 2,959,000 tons of pig iron, 4,336,000 tons of crude steel, and 3,351,000 tons of steel products, their percentages to the nation's totals standing at 31.3% for pig iron and 23.8% for crude steel, both the largest in the country. The Company boasts of a rational balance of pig iron, crude steel and rolled products in its annual production, the latest equipments and a wide variety of steel products it manufactures. The weight of the Company is particularly overwhelming in the production of heavy rails, sheet piling, large shapes, tinplates and silicon steel sheets. The ratios of principal items to the nation's total in fiscal 1959 were as follows:

	Fiscal 1959 Production (M/T)	% in Nation's Total
Rails & Accessories	301,227	68.7
Shapes	322,312	18.4
Bars	85,997	3.7
Wire rods	299,633	23.8
Hoops	—	—
Plates	574,846	18.9
Sheets	899,435	27.9
Pipes	—	—
Tires (steel)	—	—
Total	2,483,450	18.9

Yawata Iron & Steel is also very positive in the export phase. In 1959, the Company exported 461,000 tons of steel products, the largest sales to overseas markets by any Japanese steel firms for that year.

Exports of Steel Products by Yawata 1959
(In metric tons)

	Yawata	Nation's Total	%
Pig iron	—	—	—
Semi-finished products	3,824	254	—
Rails & parts thereof	122,110	11,688	32.7
Shapes	9,404	165,326	73.9
Bars	3,006	44,947	20.9
Wire rods	78,787	183,211	16.4
Plates	66,840	121,921	64.6
Sheets	42,103	239,645	27.9
Electrical Sheets	8,146	118,007	35.7
Tin plates	48,998	9,413	86.5
G.I. sheets	33,084	281,228	11.8
Secondary products	45,512	348,457	13.1
Sub-total	461,814	1,576,635	29.3
Strip coils	—	6,877	—
Pipes	—	167,046	—
Others	—	90,850	—
Total	461,814	1,841,408	25.1

Source: *The Oriental Economist.*

Business Results

The Yawata Steel Works is the main workshop of Yawata Iron & Steel Co., Ltd., although it also has two other factories of lesser calibre—the Tobata Manufactory and the Hikari Steel Works. The Yawata Steel Works specializes in large shapes, plates and silicon steel sheets, and the Tobata Manufactory is devoted chiefly to black-sheets, galvanized iron sheets, tinplates and other sheet items, while the Hikari Steel Works is assigned for wire rods. The total number of workers in these factories reaches 38,957.

All these factories of Yawata Iron & Steel Co., Ltd. are equipped with all modern facilities. In the induction of foreign technical knowhow, the Company is ahead of other steel firms. For instance, it was before the Pacific War that the Company imported continuous rolling equipments for blacksheets. Some of major equipments imported by the Company after the war include continuous wire rod rolling facilities, wide-plate rolling mills, wide-blacksheet rolling equipments, top-blown oxygen converters, etc. The production of crude steel by the Company in 1959 totalled 4,336,000 tons, or some 2.4 fold the output in 1951 (when the Company resumed operation after the war) at 1,806,000 tons. In the interim, the business of the Company has grown at a swift pace. The annual sales of the Company, which totalled ¥36,273 million in 1950 swelled to ¥169,475 million in 1959. For the half-year term ended March, 1960, the Company reported the total sales of ¥92,423 million for the declared profit of ¥5,183 million, and gave a 12% dividend per annum. The sales for the September (1960) term are estimated to have reached ¥100,000 million to make the company one of the two "biggest businesses" in Japan with Hitachi, Ltd.

Growth Potential

The Company carried out two large-scale production expansion projects so far. The first project in 1951 through 1955 cost ¥61,498 million, and the second project in 1956 through 1960, which is still under way, is costing ¥154,188 million. Through these expansion projects, which include pig iron and crude steel making facilities, as well as port-harbor facilities, the Company expects its production to make a notable gain. The third expansion project to cover the period from 1961 through 1965 will cost ¥184,061 million. Under the expansion projects so far undertaken, the Company completed rolling mills, and oxygen converters at the Tobata Manufactory for the replenishment of integrated operations. Among other major facilities completed are also two blast furnaces (each 1,500 tons) and three converters (60 tons each). With other new equipments (including 2,000-ton blast furnaces and cold-strip mills) due to be completed under the third expansion project, the Company expects to boost its annual production to 2,030,000 tons of pig iron and 2,160,000 tons of crude steel in 1965 at its Tobata Manufactory. The Company is also planning to erect a new steel plant at the Sakai area in Central Japan, at which two sets of 1,800-ton blast furnaces, converters, blooming and rolling mills, large-shape rolling mills and hot-strip mills will be built for the annual production of 1,274,000 tons of crude steel in 1965. Thus, the Company places the production target of crude steel in 1965 at 6,942,000 tons.

Meanwhile, the Company has a number of subsidiaries under its control. Outstanding among them are as follows:

Firms	Capital (Yen million)	Net Sales (1959) (Yen million)
Nihon Tokushu Kokan	1,000	5,542
Yawata Welding Rod	300	1,800
Yawata Econ Steel Co.	400	3,674
Nakatsu Kohan	150	2,005
Yawata Metal Form	100	781
Yamato Seikan	75	4,360
Kyushu Seikan	300	2,736
Yawata Chemical Industry	1,000	5,800

Commodity Market

Iron & Steel:—Iron and steel production continued swelling as the steel market began to recover from the latter part of Summer, although the increasing pace has been slowing down somewhat. At the current tempo of monthly production, the total output of crude steel in fiscal 1960 (ending March, 1961) is estimated to top 21,600,000 tons to reach 22,000,000 tons, as compared with the actual output of 18,247,000 tons for fiscal 1959.

Production and Inventories of Steel Products

(In 1,000 tons)

1960	Production		Inventories	
	Crude steel	Ordinary Steel products*	Makers	Wholesalers
Jan.	1,650	1,124	553	329
Feb.	1,685	1,188	561	313
March	1,810	1,259	569	332
April	1,754	1,230	604	338
May	1,835	1,248	610	344
June	1,777	1,244	598	343
July	1,845	1,245	623	—
August	1,863	1,305	—	—
September	1,867	1,311	—	—

Notes: *Hot-rolled ordinary steel products exclusive of rerolled products. Inventories are for steel products.
Source: Japan Iron & Steel Federation.

City quotations of steel products have been continuing comparatively stiff since the rebounding in August, as follows:

City Prices of Steel Products

(In ¥1,000 per ton)

	Small bars (19 mm)	Medium shapes (6×65 mm)	Hot-rolled blacksheets (#16)	Plates (12 mm)
May	36.5	38.8	54.8	46.3
June	33.4	36.3	53.5	44.0
July	33.8	36.8	52.3	44.5
August	34.8	37.8	55.8	45.8
September	35.2	39.5	52.8	46.0

Source: The Oriental Economist.

With the domestic demand for steel products faring acceptably well, the export sales have been increasing at a tempo more energetic than generally expected to give a new support to the steel market. In the four months, April through July, this year, export shipments of steel products totalled 508,747 tons. On the spur of the rising export sales, the Japan Iron & Steel Federation early in October revised upward the export target for fiscal 1960 by 288,100 tons to 1,569,100 tons from the original mark of 1,361,000 tons. The latest animation of steel exports has been chiefly attributable to active sales to new markets such as Australia and Africa in addition to established customers like Southeast Asia, as well as the failure of the sales to the United States to make any drastic dive even after the end of the steel strike in that country.

Electrolytic Copper:—Japan's copper market continued steady until early October despite many deterrents. The monthly production topped the 21,000-ton mark in June through August and the city prices stood firm at around ¥312,000, as the consumption was active by makers of electric wires and cables and rolled products. The list price cut by the "Big 3" copper smelters in the United States in mid-October, however, forced the market to weaken, and the domestic smelters were compelled to reduce the list price sharply to ¥280,000 per ton, effective October 17. The market will continue lethargic for some time to come.

Cotton Yarn:—Cotton yarn quotations, which turned stiff in the middle part of August, continued strong into September with the Osaka prices (30s per lb.) rising to ¥1,900 for current month delivery and ¥1,765 for futures. The new strength is attributable chiefly to the favorable turn in the supply-demand balance. Although the quotations began to tend slightly lower from the start of October, the progress of production adjustments and normalization of transactions are expected to hold the market steady. As of the end of August, the inventories swelled by 10,332 bales (1 bale=400 lbs.) over a month ago to 604,997 bales.

Meanwhile, the production of cotton yarns in September totalled 244,594 bales, registering a gain of 8,578 bales over the August output, according to the Japan Cotton Spinners' Association. The itemized breakdown of the September production was as follows: pure cotton yarn, 236,607 bales (up 7,313 bales over August); mixed cotton yarn, 1,608 bales (up 393 bales); rayon staple mixed cotton yarn, 643 bales (up 112 bales); other cotton yarn, 5,736 bales (760 bales); Total, 244,594 bales (up 8,578 bales).

Woollen Yarn:—The cutback in production and the slip of inventories served to strengthen the woollen yarn market with the prices (48s doubles per kilogram) at the Nagoya market hiking to ¥1,310 for current month delivery and ¥1,275 for futures in the middle part of September. Also in support of the market were the favorable sales of woollen fabrics for fall-winter items. The market dulled somewhat in early October, although a gradual recovery has been in swing.

Chemical Fibres:—Rayon filament yarn quotations (Osaka: per 500 grams) recovered to ¥177.0 for current month delivery and ¥179.9 for futures in the middle part of September, but weakened fast to end the month ¥175.0 and ¥178.8, respectively. The market rallied with the turn of the month into October, although no particular stimulants were witnessed. Yarn exports have continued energetic with the total shipments in the first eight months (January through August) reaching 12,173 tons, as compared with 7,222 tons in the like period a year ago, although the exports of rayon filament fabrics declined somewhat to 149,868,000 sq. metres in the January-August period from 158,888,000 sq. metres a year before.

The market continued fair for spun rayon yarn with quotations moving within the restricted range. A major deterrent is the lethargy in the exports of spun rayon fabrics which totalled 339,879,000 sq. metres in the first eight months of calendar 1960, as compared with 377,851,000 sq. metres a year ago.

The production of chemical fibres in September amounted to 45,628 tons, receding by 216 tons from the August output, it was reported by the Japan Chemical Fibres Association. The breakdown of the September production by item was as follows (percentage comparisons with August figures parenthesized): rayon filament yarn, 7,386 tons (98.3); cupra ammonium yarn, 1,222 tons (97.3); rayon staple, 23,105 tons (99.8); cupra ammonium staple, 1,222 tons (97.3); acetate yarn, 1,264 tons (101.9); acetate staple, 301 tons (81.4); high-tenacity yarn, 2,357 tons (101.8); vinylon, 1,952 tons (100.1); nylon, 3,489 tons (100.9); vinyliden, 268 tons (99.3); acrylonitriles, 1,628 tons (96.0); polyvinyl chloride, 608 tons (97.9); tetoron, 1,852 tons (103.5); polyethylene, 95 tons (110.5); Total, 45,628 tons (99.5).

Raw Silk:—Silk quotations (Yokohama: per kg.) rose to new highs in early September at ¥3,926 for current month delivery and ¥3,900 for futures. The hike was partly speculative, and the prices dipped fast to ¥3,613 and ¥3,746, respectively at the close of month. The silk market continued weak into October with current month delivery slipping below ¥3,500 and futures nearing the ¥3,500 mark in the middle part of the month. Export shipments were equally dull with the October shipments estimated at around 5,000 bales against the July peak at 12,000 bales.

Company Notes

Kyowa For Petrochemicals (*Kyowa Fermentation Industry*)

Kyowa Hakko Kogyo Co., Ltd. (Kyowa Fermentation Industry) has decided to start construction of a giant petrochemical plant in Utsunomiya, Tochigi Prefecture at the cost of some ¥13,000 million to embark on the production of petrochemical products including butanol, octanol and acetone. The construction of the new plant will be started pending the Government's permission for the induction of technical knowhow from abroad expected by the end of this year. With the completion of the plant scheduled by the end of 1962, the company aims at reducing the cost of ammonia by utilizing by-product gas available from the production of petrochemicals.

New Oil Refinery in Kyushu (*Yawata Iron & Steel Mfg.*)

A plan is being studied jointly by Yawata Iron & Steel Co., Ltd. and Kinoshita Shoten, Ltd. for the construction of an oil refinery and a petrochemical plant in the City of Tsuruzaki in Ohita Prefecture. To push this project, a new company (capitalized at ¥1,000 million or ¥1,500 million) will be created by the joint financing of the two firms as well as leading consumers of petroleum products and major raw materials for petrochemicals.

Osaka Machinery for New Firm (*O-M Spinning Machine Mfg.*)

O-M Spinning Machine Manufacturing Co., Ltd. has merged with Osaka Machinery Works, Ltd. to emerge as a ¥450 million concern under the new name of O-M Manufactory, Ltd. The merger took effect as of November 1, 1960 with Osaka Machinery absorbed at the rate of two O-M shares to one Osaka Machinery share.

Tsugami for Juke Box (*Tsugami Manufactory, Ltd.*)

Tsugami Manufactory, Ltd., a leading manufacturer of precision machines, has completed the signing of technical tieup contracts with two foreign firms for new products. The first contract was signed with Progress Co. (Belgium) for automated machine tools while the second contract was concluded with Automatic Music Intstruments Co. (U.S.) for juke boxes and automatic selling machines. The Japanese company will start manufacturing these new products from April, 1961.

Auto Plant in Brazil (*Toyota Motor Co., Ltd.*)

Toyota Motor Co., has decided to erect an automobile factory in Brazil with the monthly capacity of manufacturing 300 cars. For the new factory, the company has started shipping to Brazil necessary equipments and materials. The new automobile plant, upon completion scheduled at the end of 1962, will be the first plant of the kind totally financed by Japanese capital.

UEC Diesel Engine for Coal Carrier (*Mitsubishi Shipbuilding & Engineering*)

Two coal carriers (35,000 D/W tons each) to be constructed by Mitsubishi Shipbuilding & Engineering Co., Ltd. for Norness Shipping Co. (a subsidiary to Naess Shipping Co., Inc.) will be equipped with UEC diesel engines manufactured by the same Japanese company. The two carriers thus will be the first large export ships equipped with major engines manufactured in Japan.

Viscose Sponge Marketed (*Toyo Rayon Co., Ltd.*)

Toyo Rayon Co., Ltd. has started marketing viscose rayon sponge, the first of the kind sold in Japan. The new product is a foamy mixture of viscose and ramie which, manufactured by E. I. du Pont and a few other chemical companies, has been in big demand as a wiper for auto bodies, etc. Toyo Rayon is manufacturing viscose sponge at the monthly capacity of 100,000 pieces through a tieup with Showa Industrial, its subsidiary.

New Aircraft Firm for Sumitomo (*Sumitomo Metal Industries, Ltd.*)

Sumitomo Metal Industries, Ltd. has decided to create a new company to take over its aircraft division. The new company, scheduled to start business as of January 5, 1961, will be capitalized at ¥300 million) and will be headed as president by Suketoshi Sakai, executive director of Sumitomo Metal Industries. The new company has not been set as yet.

Generators to Costa Rica & Colombia (*Hitachi, Ltd.: Tokyo Shibaura Electric*)

Hitachi, Ltd. and Tokyo Shibaura Electric have received orders for four water wheels and four water-wheel generators bound for Costa Rica and Colombia. The orders were awarded to the two Japanese firms through international tenders. Under the contracts, Hitachi will make the four water wheels (two each for Costa Rica and Colombia) and Tokyo Shibaura will attend to four water-wheel generators (ditto).

Injection System for Viscose (*Mitsubishi Shipbuilding & Engineering*)

An injection system to be used in the manufacturing process of viscose rayon was recently completed at the Hiroshima dockyard of Mitsubishi Shipbuilding & Engineering Co., Ltd. The injection system, which has started operation at the Yashiro plant of Kokoku Rayon Co., Ltd. from early October, is used for the uniform mixing of viscose with a delustering agent or a pigment injected. Several sets of similar devices have already been exported by Mitsubishi to Yugoslavia, India and Formosa.

T.V. Plant to Cambodia (*Nippon Electric Co., Ltd.*)

Nippon Electric Co., Ltd. has concluded a contract with the Cambodian Government for the export of a T.V. plant (a 5 KW telecasting station). The contract was awarded to the Japanese manufacturer through an international tender held in June, at which leading overseas makers such as RCA, Siemens Schuckertwerke and SFR participated. The T.V. plant, which costs some ¥140 million, will start telecasting in Cambodia in the summer of 1961.

Aid to Chilean Copper Mine Development (*Furukawa Mining Co.*)

To secure the supply of copper ores to cope with the rising domestic demand for copper ingots, Furukawa Mining Co., Ltd. is planning to conclude a long-term contract as assistance for the development of the Santo Domingo copper mine in Chile. Under the proposed contract, the Japanese mining company will extend financial and technical support to the development of the Chilean mine with the final object of importing the monthly average of 350–400 tons of copper ores within a year or so.

Iron Ore From Swaziland (*Yawata Iron & Steel: Fuji Iron & Steel*)

Yawata Iron & Steel Co., Ltd. and Fuji Iron & Steel Co., Ltd. have completed arrangements with the Anglo-American Co. in Britain for the import of 10,000,000 tons of iron ores from Swaziland, British South Africa under a 10-year contract. The contract calls for the first shipment to start in 1963 (at the annual average of 1,000,000 tons) at the c.i.f price of a little over $16.00 per ton.

New Aluminium Project (*Nisso Steel Co., Ltd.*)

Nisso Steel Co., Ltd. is planning to create a new company for the purpose of embarking upon aluminium smelting with the financial cooperation by Nippon Soda and Yawata Iron & Steel Co., Ltd. Under the plan, a new aluminium plant with the annual capacity of 25,000 tons will be erected at the total cost of ¥10,000 million for the start of operation in 1962.

150 Trolley Coaches to Argentina (*Tokyo Shibaura Electric: Marubeni-Iida*)

Marubeni Iida Co., Ltd. and Tokyo Shibaura Electric have concluded a contract with the National Railways of Argentina for the export of 150 trolley coaches valued at $15,512,960, it was announced here. This is one of the largest contracts for export trolleys ever signed by Japanese manufacturers. With the Argentine side desirous of purchasing a total of 350 trolleys, an additional order for the remaining 200 cars is expected forthcoming. Exported trolleys will be used between Buenos Aires and Salumiento.

Joint Polyvinyl Chloride Venture in Portugal (*Shin-etsu Chemical Co., Ltd.*)

Construction of a polyvinyl chloride plant in the suburbs of Oporto in Portugal will be started as a joint Japanese-Portuguese venture in September, 1961, according to a project approved by the Ministry of Finance in October. To finance the joint venture, a Japanese-Portuguese company capitalized at 20,000,000 Escudos (about ¥250 million) with the Japanese side offering 50% (equally divided between Shin-etsu Chemical and Mitsui Bussan) and the remaining 50% furnished by the Portuguese side (by four banks and power companies) The new plant, expected to cost ¥815 million, will have the monthly capacity of manufacturing 500 tons of polyvinyl chloride.

1. Economic Indicators (1)

Items	Gross National Product* (a)	Net Receipts & Payments of Treasury Accounts with the Public* (b)		Accounts of the Bank of Japan (End of Year or Month) (c)			Accounts of All Banks (End of Year or Month) (d)		Postal Savings & Postal Transfer Savings ** (e)	Clearings of Bills (All Japan) (f)		Average Interest Rates on Loans and Discounts of All Banks (g)
		Total	Foreign Ex. Accounts	Bank-Notes Issued	Loans & Discounts	Government Securities	Deposits[1]	Loans & Discounts		Bank Clearing	Dishonored bills	
Units & Standards	¥100 million									1,000 bills	¥100 million	per diem, Sen
1950	39,467	⊖ 419	⊖2,782	4,220	1,145	1,367	—	9,947	1,497	54,500	96,998	2.610
1951	54,442	346	⊖ 389	5,063	2,230	1,260	—	15,178	1,894	70,512	147,684	2.600
1952	61,180	24	⊖ 134	5,764	2,232	2,861	19,004	21,280	2,477	87,883	194,524	2.545
1953	70,848	951	1,298	6,298	2,987	3,143	23,628	26,712	3,332	108,728	250,061	2.488
1954	74,610	⊖1,900	⊖ 743	6,220	2,433	4,835	26,669	29,119	4,616	117,888	291,684	2.490
1955	82,033	⊖2,766	⊖1,699	6,738	319	5,536	31,760	31,958	5,443	128,592	330,084	2·460
1956	92,498	1,634	633	7,848	1,399	5,867	39,531	40,661	6,652	146,302	401,110	2.311
1957	100,251	2,597	1,134	8,371	5,519	3,872	45,325	50,244	7,654	161,191	511,712	2.304
1958	102,917	⊖2,510	⊖1,935	8,910	3,793	5,360	54,318	58,129	8,625	166,838	569,395	2.332
1959	..	⊖1,334	⊖1,513	10,294	3,379	6,448	64,614	68,028	9,954	183,445	571,905	2.224
Ag. Pre. Year (%) ('58)	⊕ 2.7	—	—	⊕ 6.4	⊖ 31.3	⊕ 38.4	⊕ 19.8	⊕ 15.7	⊕ 12.7	⊕ 3.5	⊕ 11.3	⊕ 1.3
Ag. Pre. Year (%) ('59)	..	—	—	⊕ 15.5	⊖ 10.9	⊕ 20.3	⊕ 19.0	⊕ 17.0	⊕ 15.4	⊕ 10.0	⊕ 0.4	⊖ 4.6
1956 January	—	703	⊖ 105	5,828	281	4,833	31,193	31,603	5,351	9,126	25,571	2.392
February	—	202	⊖ 125	5,685	209	4,650	31,399	31,818	5,377	10,791	27,778	2.377
March	▲ 87,126	269	⊖ 118	5,747	273	5,613	32,433	32,584	5,443	11,799	32,878	2.360
April	—	⊖ 558	⊖ 143	5,847	184	5,207	32,697	32,392	5,442	11,446	30,661	2.345
May	—	454	15	5,614	229	5,083	33,476	32,902	5,473	12,107	30,411	2.326
June	▲ 88,821	198	33	5,969	629	4,552	34,097	34,062	5,583	13,057	32,161	2.304
July	—	⊖ 4	97	5,975	625	4,640	34,316	34,822	5,783	12,420	32,334	2.289
August	—	398	6	5,924	926	4,289	34,807	35,685	5,840	12,142	33,756	2.280
September	▲ 90,733	51	⊖ 123	5,995	913	4,348	36,317	37,196	5,905	11,527	34,581	2.272
October	—	⊖ 333	⊖ 9	6,110	756	4,709	36,214	37,218	6,023	13,014	37,800	2.272
November	—	⊖ 213	⊖ 78	6,260	711	4,843	37,638	38,418	6,067	12,511	35,996	2.266
December	▲ 94,434	⊖ 870	⊖ 82	7,848	1,399	5,867	39,531	40,661	6,327	16,361	47,185	2.260
1957 January	—	1,409	228	6,764	1,660	4,516	39,200	40,835	6,543	11,108	34,607	2.257
February	—	957	224	6,586	2,415	3,439	39,020	41,575	6,580	11,967	36,200	2.256
March	▲ 96,498	246	309	6,662	2,763	5,100	40,622	43,012	6,652	12,755	43,017	2.252
April	—	⊖ 205	314	6,837	2,726	3,610	40,626	43,277	6,651	13,169	42,351	2.254
May	—	936	476	6,390	3,243	2,998	41,188	43,904	6,684	13,767	41,296	2.269
June	▲102,586	1,046	435	6,771	4,754	2,180	40,754	44,695	6,803	13,655	39,142	2.291
July	—	171	305	6,635	4,838	2,432	40,555	45,055	6,995	14,214	42,832	2.311
August	—	467	219	6,503	5,212	2,332	40,974	45,745	7,026	13,242	41,809	2.332
September	▲100,108	374	92	6,535	5,629	2,047	41,999	47,209	7,108	12,788	46,283	2.348
October	—	⊖ 529	⊖ 47	6,646	5,343	2,506	42,108	47,402	7,123	13,508	45,623	2.359
November	—	⊖ 185	⊖ 59	6,835	5,373	2,572	43,352	48,457	7,128	13,157	43,161	2.362
December	▲100,373	⊖1,316	⊖ 180	8,371	5,519	3,872	45,325	50,244	7,402	17,862	55,390	2.364
1958 January	—	929	⊖ 70	6,934	5,043	2,954	44,732	50,192	7,627	10,930	40,271	2.365
February	—	664	⊖ 147	6,900	5,690	2,358	44,502	50,542	7,605	12,399	41,276	2.366
March	▲ 97,876	244	⊖ 204	6,886	5,881	3,827	45,965	51,486	7,654	13,435	52,348	2.305
April	—	⊖1,006	⊖ 118	7,037	5,070	2,958	46,437	51,639	7,611	13,189	46,045	2.368
May	—	347	⊖ 110	6,603	4,991	2,532	46,997	52,187	7,603	13,848	45,098	2.368
June	▲ 96,030	85	⊖ 99	7,012	5,526	2,160	47,288	52,948	7,695	14,553	45,432	2.361
July	—	⊖ 433	⊖ 159	6,889	4,950	2,753	48,116	53,480	7,885	14,314	47,498	2.341
August	—	387	⊖ 218	6,938	5,415	2,187	48,711	54,166	7,897	13,115	44,407	2.326
September	▲102,117	⊖ 185	⊖ 195	6,848	5,071	2,101	50,305	55,303	7,884	13,938	53,062	2.305
October	—	⊖1,148	⊖ 196	6,945	4,121	3,267	50,414	55,417	8,012	14,078	50,107	2.287
November	—	⊖1,109	⊖ 255	7,133	3,274	4,167	52,155	56,431	7,985	13,196	43,643	2.274
December	▲104,925	⊖1,199	⊖ 235	8,910	3,793	5,360	54,318	58,129	8,270	19,843	60,207	2.266
1959 January	—	972	⊖ 8	7,500	3,361	4,186	53,404	57,949	8,526	11,615	42,015	2.262
February	—	479	⊖ 191	7,536	3,868	3,654	53,639	58,423	8,509	13,416	43,709	2.260
March	▲108,835	301	⊖ 151	7,563	4,122	4,301	56,153	59,806	8,625	14,804	51,814	2.240
April	—	⊖ 986	⊖ 108	7,689	3,273	4,282	56,155	59,624	8,603	14,220	47,404	2.229
May	—	144	⊖ 210	7,388	3,153	4,038	57,174	60,483	8,627	14,452	43,113	2.220
June	▲114,075	116	⊖ 156	7,883	3,802	3,649	57,314	61,383	8,784	16,781	47,913	2.214
July	—	⊖ 266	⊖ 138	7,811	3,519	3,891	57,754	62,112	9,062	15,686	46,080	2.212
August	—	601	⊖ 154	7,794	4,139	3,107	58,278	62,886	9,086	14,976	45,417	2.209
September	▲120,791	⊖ 99	⊖ 120	7,853	4,175	3,066	60,158	64,192	9,193	15,187	50,411	2.207
October	—	⊖1,243	⊖ 192	8,113	3,388	4,327	60,303	64,617	9,254	15,673	▲ 49,063	2.209
November	—	⊖1,118	⊖ 174	8,423	2,431	5,395	61,876	65,956	9,277	15,136	45,215	2.209
December	▲129,011	⊖1,110	⊖ 129	10,294	3,379	6,448	64,614	68,028	9,732	21,500	59,747	2.223
1960 January	—	1,326	⊖ 49	8,740	2,978	5,027	63,900	68,219	9,894	12,202	42,334	2.236
February	—	777	34	8,659	3,647	4,217	63,820	68,808	9,870	15,918	50,541	2.246
March	131,532	524	⊖ 117	8,766	4,256	5,289	66,408	70,282	▲ 9,954	16,808	58,253	2.249
April	—	⊖1,285	⊖ 120	9,044	3,347	5,205	66,388	70,222	9,973	15,930	53,766	2.252
May	—	419	⊖ 107	8,699	3,346	4,507	67,757	71,284	..	16,562	▲ 50,944	2.252
June	..	548	⊖ 134	9,252	4,495	3,969	67,734	72,547	..	▲ 18,064	▲ 55,111	2.252
July	—	⊖ 108	⊖ 228	9,315	4,541	3,868	68,432	73,597	..	16,520	▲ 51,561	2.252
August	—	839	⊖ 223	9,130	4,633	3,092	69,133	74,726	..	17,554	57,115	2.247
September	..	⊖ 295	⊖ 352	9,209	4,507	3,664	..	..	..	..	..	..
Ag. Pre. Month (%)	⊕ 5.2	—	—	⊕ 0.9	⊖ 2.7	⊕ 18.5	⊕ 1.0	⊕ 1.5	⊕ 0.2	⊕ 6.3	⊕ 10.8	⊖ 1.2
Ag. Cor. Month Year Ago (%)	⊕ 22.7	—	—	⊕ 17.3	⊕ 8.0	⊕ 19.5	⊕ 18.6	⊕ 18.8	⊕ 15.9	⊕ 17.2	⊕ 25.8	⊕ 1.7

Source: EPA for (a); Finance Ministry for (b); Bank of Japan for (c), (d) and (g); Postal-Services Ministry for (e); Tokyo Clearing House for (F).
Note: * Fiscal year ** as of March. 1) Except "Deposits of Gov't & Gov't Agencies" "Checks & Bills". ▲ Revised at source.

1. Economic Indicators (2)

Items	Stock Market Indices (Tokyo) (a)				Industrial Production Indices (b)		Shipment Indices (c)		Inventory Indices (c)				
									Inventory of Raw Materials		Producer's Inventory of Finished Goods		Dealer Inventory
	Dow-Jones	Simple Arithmatic	Total Turnovers	Investment Yields	(A)	(B)	(A)	(B)	Total	Imports	(A)	(B)	
Units & Standards	Yen		Million Stock	%	1955=100								
1950	101.73	74.00	512	9.53	47.4	—	52.5	—	—	—	48.1	66.6	—
1951	136.10	93.80	821	11.91	65.5	—	68.5	—	—	—	81.4	65.8	—
1952	245.67	124.08	2,003	9.85	70.2	—	73.9	—	—	—	93.7	80.8	—
1953	340.90	156.05	2,092	7.44	85.7	—	85.0	—	99.5	113.6	79.2	—	—
1954	340.79	110.94	1,238	9.44	92.9	—	91.1	—	103.5	111.0	100.0	—	—
1955	374.00	108.17	2,505	7.96	100.0	—	100.0	—	100.0	100.0	100.0	—	—
1956	485.33	126.43	6,692	6.68	122.0	—	119.3	—	117.9	126.6	99.6	—	—
1957	535.57	114.10	7,692	7.14	144.5	—	136.2	—	163.1	184.4	126.5	—	—
1958	571.97	110.36	11,684	6.66	144.8	—	137.5	—	160.8	188.3	152.7	—	—
1959	821.52	146.39	21,201	4.54	179.9	—	168.5	—	170.2	192.0	152.4	—	—
Ag. Pre. Year (%) ('58)	⊕ 6.9	⊖ 3.3	⊕ 51.9	⊖ 6.4	⊕ 0.2	—	⊕ 1.0	—	⊖ 1.4	⊕ 2.1	⊖ 20.7	—	⊖
Ag. Pre. Year (%) ('59)	⊕ 43.6	⊖ 32.6	⊕ 81.5	⊖ 31.7	⊕ 24.2	—	⊕ 22.5	—	⊕ 5.8	⊕ 2.0	⊖ 0.2	—	⊖
1956 January	426.40	121.83	357	6.92	103.0	111.1	99.9	109.3	103.1	103.4	95.6	98.9	
February	429.71	122.58	387	6.61	117.0	113.3	105.6	111.3	101.6	102.2	105.4	99.4	
March	444.29	125.86	492	6.53	123.6	111.4	113.6	112.1	101.7	104.2	106.6	97.4	
April	471.86	130.27	712	6.45	116.6	114.9	115.8	112.4	104.1	112.5	95.0	98.1	
May	480.56	132.29	609	6.38	118.1	117.9	118.5	117.0	107.8	119.6	94.8	96.5	
June	502.21	137.32	716	6.33	120.3	121.4	118.9	119.6	117.8	131.3	98.3	97.6	
July	498.60	132.44	417	6.51	122.5	123.0	119.8	118.9	120.4	132.9	101.3	97.0	
August	502.03	129.61	417	6.69	122.7	126.1	122.6	123.1	126.6	139.3	99.5	98.0	
September	487.24	122.32	323	7.25	126.8	127.8	126.0	125.5	129.4	141.5	97.2	97.8	
October	496.19	116.20	540	7.25	131.0	130.9	125.4	125.6	134.8	143.4	98.2	101.8	
November	532.76	122.09	1,053	6.66	131.1	132.8	126.6	127.3	134.1	144.4	100.9	103.5	
December	553.89	124.34	669	6.77	136.5	132.6	139.0	129.0	133.1	145.1	102.1	104.8	
1957 January	572.80	125.99	977	6.47	126.3	136.8	121.8	133.4	136.0	150.5	100.4	104.7	
February	573.99	126.10	751	6.44	142.6	140.0	127.8	134.4	138.2	153.4	118.6	107.9	
March	567.73	124.38	711	6.37	154.8	140.2	137.3	134.9	142.0	164.4	116.8	109.0	
April	587.55	127.36	820	6.42	146.3	144.1	139.7	135.3	153.3	182.6	109.2	112.6	
May	547.58	118.00	775	7.17	152.0	151.5	142.9	141.2	159.5	192.2	116.4	118.7	
June	524.70	112.66	444	7.29	149.1	150.2	138.3	139.0	172.2	205.4	124.8	121.8	
July	495.89	104.73	487	7.87	149.7	151.5	139.7	139.0	174.1	201.1	134.6	127.4	
August	511.93	107.21	603	7.29	142.5	147.0	135.8	136.8	177.8	201.2	137.0	133.4	
September	532.32	110.97	730	7.44	143.5	145.4	139.9	139.3	176.2	193.7	136.0	136.5	
October	517.76	106.87	615	7.75	142.4	143.0	135.7	136.1	179.1	195.0	138.0	142.1	
November	503.76	103.98	362	7.86	141.4	144.0	132.3	136.6	176.9	188.5	145.3	148.2	
December	490.77	100.96	417	8.13	143.9	140.1	142.1	133.0	172.0	185.2	148.9	153.2	
1958 January	505.90	103.35	673	7.51	132.2	143.3	123.0	134.9	167.5	185.7	151.6	157.6	
February	528.61	106.78	862	7.37	145.9	142.9	128.9	135.5	167.0	191.2	160.3	159.0	
March	528.62	105.61	699	7.48	155.5	140.5	136.0	133.4	162.6	191.0	163.1	156.9	
April	545.81	107.06	829	7.28	141.0	138.8	140.5	135.9	158.9	187.8	147.4	151.9	
May	560.34	108.48	701	6.86	140.5	140.0	134.6	132.8	158.3	190.2	147.4	150.4	
June	574.70	110.99	1,055	6.61	139.7	140.8	132.0	132.4	163.0	193.1	153.7	150.1	
July	571.11	108.82	966	6.72	142.4	144.2	137.3	136.3	164.1	193.7	156.7	148.6	
August	585.00	111.00	1,276	6.41	140.7	145.2	136.5	137.4	161.7	194.2	154.0	150.2	
September	588.40	111.39	958	6.51	145.2	147.3	139.8	139.4	158.2	189.8	151.1	151.4	
October	604.36	113.60	1,591	6.30	149.2	149.9	143.5	143.5	154.7	184.1	148.8	152.9	
November	622.30	116.37	907	5.91	147.9	150.8	142.2	143.6	154.5	179.4	149.7	152.5	
December	648.44	120.86	1,168	5.51	157.4	153.1	156.2	145.1	157.8	179.3	149.0	153.1	
1959 January	676.26	126.92	1,240	5.16	147.4	160.0	138.9	152.2	159.0	176.5	147.4	152.9	
February	703.97	131.97	1,379	4.95	164.9	162.1	147.9	155.4	159.0	176.0	154.4	152.1	
March	742.27	138.55	1,573	4.79	177.5	161.3	157.0	153.9	159.2	177.1	153.3	146.2	
April	755.32	138.22	1,240	4.94	169.6	167.0	162.2	156.7	158.7	184.7	141.9	146.3	
May	776.92	141.54	1,858	4.63	174.3	173.5	162.2	160.1	164.0	197.9	143.6	146.8	
June	806.95	146.55	1,682	4.62	180.0	181.1	167.0	167.4	174.2	202.9	150.4	147.2	
July	832.30	150.22	1,528	4.35	181.3	183.6	170.5	169.8	177.0	208.1	155.0	147.5	
August	863.12	154.45	1,495	4.11	179.4	184.8	171.1	172.6	178.7	204.0	154.2	150.7	
September	893.43	156.89	2,142	4.30	187.9	189.7	177.6	177.3	179.8	203.8	153.2	153.6	
October	934.99	158.54	2,914	4.11	192.8	191.4	179.9	180.7	178.8	195.0	157.8	161.8	
November	948.98	160.42	2,329	4.13	195.0	198.2	184.7	186.5	177.0	189.7	159.5	162.1	
December	923.78	152.36	1,823	4.70	208.7	202.4	202.6	189.0	177.3	188.7	158.3	162.2	
1960 January	932.08	150.34	1,669	4.43	194.1	211.4	173.9	190.6	178.8	190.0	160.5	166.0	
February	986.08	158.12	1,635	4.24	218.9	217.4	188.0	197.2	181.6	194.4	172.3	169.2	
March	1,028.07	163.20	2,511	4.18	234.2	216.1	201.6	196.2	186.2	208.3	177.7	170.2	
April	1,077.59	166.75	2,333	4.05	219.2	215.2	201.5	194.4	187.2	209.7	167.5	173.0	
May	1,052.95	161.73	1,675	4.53	220.0	218.8	200.5	198.2	191.0	212.6	172.3	176.4	
June	1,040.46	158.69	1,955	4.18	223.7	224.7	203.3	203.6	199.1	217.2	182.1	178.8	
July	1,102.12	165.94	1,802	4.15	▲226.3	▲229.2	▲209.9	▲209.0	▲202.0	▲186.4	▲187.8	▲179.4	
August	1,136.12	168.96	2,334	3.85	224.8	231.4	209.2	211.5	203.3	232.0	189.4	185.8	
September	1,197.53	174.18	3,099	3.78	..	..	..	..	..	..	..	..	
Ag. Pre. Month (%)	⊕ 5.4	⊕ 3.1	⊕ 32.8	⊖ 1.8	⊖ 0.7	⊕ 1.0	⊖ 0.3	⊕ 1.2	⊕ 0.6	⊕ 2.5	⊕ 0.9	⊕ 3.6	⊕
Ag. Cor. Month Year Ago (%)	⊕ 34.0	⊕ 11.0	⊕ 44.7	⊖ 12.1	⊕ 25.3	⊕ 25.2	⊕ 22.3	⊕ 22.5	⊕ 13.8	⊕ 13.7	⊕ 22.8	⊕ 23.3	⊕

Sources: Tokyo Securities Exchange for (a); MITI for (b) and (c).
Note: (A) denotes indices not seasonally adjusted; (B) seasonally adjusted.

1. Economic Indicators (3)

Items	Building Construction (a) Started		Machinery Orders (b)*			(c) Railroad Carloadings	(d) Department Store Sales (All Japan)	(e) Wholesale Price Indices	(f) Tokyo Retail Price Indices	Consumer (g) Price Indices		(h) Tokyo Living Cost Indices	(i) Consumer Spending. (All Households of All Cities	Consumer Expenditure Level	
	Total	Industry	New Orders	New Orders (except Vessels)	Outstanding Orders					All cities	Tokyo			(j) Urban	(k) Rural
Units & Standards	1,000m2		¥100 million			1,000 t.	¥mil.	1952=100		1955=100		1946=100	Yen	1955=100	
1950	29,686	3,370	—	—	—	130,962	68,834	—	—	72.9	74.0	541.1	13,614	70.8	—
1951	32,450	4,768	—	—	—	159,470	107,115	—	—	84.9	85.9	637.4	14,620	72.0	—
1952	34,356	4,049	—	—	—	154,395	135,506	100.0	100.0	89.1	89.5	681.9	18,161	84.1	90.9
1953	35,121	4,628	—	—	—	158,243	177,641	100.4	103.5	95.0	96.2	782.1	21,727	96.1	96.2
1954	34,106	3,728	—	—	—	158,095	199,047	99.7	106.9	101.1	101.5	850.2	23,067	95.9	99.5
1955	33,920	3,688	—	—	—	158,646	212,272	97.9	102.4	100.0	100.0	847.4	23,513	100.0	100.0
1956	40,866	6,431	—	—	—	169,769	258,899	102.2	102.1	100.4	101.0	832.3	24,231	105.2	102.8
1957	43,669	8,003	—	—	8,474	179,992	309,950	105.3	104.4	103.5	103.9	869.3	26,092	109.8	105.2
1958	42,429	5,479	4,783	3,883	7,074	167,047	338,370	98.4	103.2	103.0	104.9	871.7	27,799	116.9	107.9
1959	50,766	9,372	6,918	6,094	7,629	177,757	388,455	99.5	102.9	104.1	106.3	879.1	29,375	123.2	112.4
Ag. Prev. Year (%) ('58)	⊖ 2.8	⊖31.5	—	—	⊖16.5	⊖ 7.2	⊕ 9.2	⊖ 6.6	⊖ 1.1	⊖ 0.5	⊕ 1.0	⊕ 0.3	⊕ 6.5	⊕ 6.5	⊕ 2.5
Ag. Prev. Year (%) ('59)	⊕19.6	⊕71.1	⊕44.6	⊕56.9	⊕ 7.8	⊕ 6.4	⊕14.8	⊕ 1.1	⊖ 0.3	⊕ 1.1	⊕ 1.3	⊕ 0.8	⊕ 5.7	⊕ 5.4	⊕ 4.2
1956 January	2,721	387	—	—	—	12,266	14,577	98.6	99.8	98.9	99.3	893.1	21,951	94.6	108.5
February	3,010	382	—	—	—	13,071	14,532	99.3	100.7	99.8	100.5	835.2	20,957	97.0	109.6
March	3,535	415	—	—	—	13,815	20,314	99.6	102.3	100.0	101.0	835.2	23,325	100.7	105.5
April	3,323	453	—	—	—	13,865	19,620	100.3	102.6	100.2	100.6	838.3	23,236	103.9	103.2
May	3,562	526	—	—	—	14,575	17,624	101.3	101.6	99.8	100.4	830.5	22,667	98.7	88.6
June	3,563	526	—	—	—	14,061	18,107	101.4	103.1	101.9	102.3	836.8	23,510	101.0	84.6
July	3,688	505	—	—	—	14,253	23,690	101.6	102.9	99.8	99.2	838.3	24,926	105.7	91.4
August	3,566	615	—	—	—	14,182	17,816	102.8	103.2	100.4	100.4	832.1	23,118	98.9	103.4
September	3,549	702	—	—	—	14,430	15,647	104.7	102.6	101.2	101.3	820.3	22,042	97.3	93.7
October	3,595	694	—	—	—	15,528	20,876	104.6	102.7	101.7	102.7	828.2	23,500	101.2	99.8
November	3,293	594	—	—	—	14,913	23,524	105.6	101.7	100.0	101.4	825.8	23,234	105.2	102.6
December	3,461	633	—	—	—	14,808	52,571	106.4	101.5	101.1	102.3	827.4	38,302	157.3	143.4
1957 January	3,146	605	—	—	—	13,708	17,226	106.8	102.3	102.2	102.8	847.0	22,618	96.0	114.5
February	3,328	624	—	—	—	13,972	17,595	106.7	102.4	102.0	102.2	860.3	21,403	101.9	104.4
March	3,881	725	—	—	—	15,135	25,978	106.6	104.1	102.3	102.3	868.9	25,211	105.7	107.3
April	4,215	802	—	—	—	15,043	23,903	106.6	105.3	102.9	103.2	879.1	24,483	107.0	105.3
May	4,005	916	—	—	—	15,462	21,184	106.1	105.7	103.8	104.1	883.8	24,516	102.7	91.0
June	3,896	770	—	—	—	15,232	22,232	105.7	104.5	103.5	104.5	874.4	25,700	107.6	88.6
July	3,822	711	—	—	—	15,184	29,718	104.6	106.0	104.7	104.5	861.9	27,216	109.1	94.8
August	3,379	635	—	—	—	14,650	21,873	104.0	106.8	105.4	105.2	865.0	25,134	101.7	104.5
September	3,419	651	—	—	—	14,966	19,424	104.3	105.8	104.9	104.9	879.9	24,230	102.9	96.4
October	3,804	547	360	251	8,436	15,588	24,700	104.6	104.0	104.6	105.3	876.0	25,509	105.8	103.2
November	3,502	576	538	249	8,543	15,580	25,758	104.1	103.4	103.1	103.8	864.2	24,691	108.1	106.6
December	3,273	442	626	335	8,474	15,472	60,352	103.0	102.8	102.9	103.5	870.7	42,385	169.0	146.3
1958 January	2,848	421	321	265	8,405	13,022	19,776	101.6	102.4	103.1	103.8	882.1	23,997	99.9	107.3
February	2,932	389	286	257	8,140	13,519	20,251	100.3	102.1	102.3	103.4	874.9	22,967	107.2	112.1
March	3,275	452	508	486	8,028	14,292	27,623	99.8	101.6	101.9	102.8	873.2	26,805	111.9	116.9
April	3,745	443	307	259	7,824	13,609	26,522	99.5	101.9	102.3	103.7	866.4	26,649	115.3	109.5
May	3,453	417	269	253	7,625	13,790	23,265	98.8	102.3	102.2	103.6	866.4	26,032	110.0	93.4
June	3,752	488	344	312	7,404	13,116	23,842	97.9	104.3	103.4	105.6	868.1	27,843	116.9	91.2
July	3,854	479	360	202	7,219	13,539	32,079	97.5	103.9	102.9	104.1	862.6	28,456	117.1	94.9
August	3,739	494	315	288	7,131	13,324	24,030	97.2	105.3	104.0	105.5	865.2	26,711	110.0	105.7
September	3,589	472	766	509	7,341	13,616	19,777	96.9	102.9	103.5	105.3	873.1	25,438	109.7	96.7
October	3,774	442	341	246	7,050	14,980	27,464	96.8	104.9	104.3	108.0	896.1	27,396	113.4	103.9
November	3,636	458	309	383	6,888	14,856	29,507	97.3	103.1	103.3	106.9	870.4	26,440	115.5	108.6
December	3,832	522	656	423	7,074	15,385	64,235	97.5	103.4	103.1	106.5	861.5	44,852	175.6	154.3
1959 January	2,980	439	373	320	7,077	12,932	21,935	97.8	102.2	103.3	106.1	863.4	25,413	106.8	111.0
February	3,740	635	413	394	7,005	13,967	21,672	98.3	102.8	102.8	105.3	869.7	24,084	112.3	114.9
March	3,693	570	657	595	7,094	14,750	30,668	98.6	102.6	103.1	105.4	873.8	28,683	119.5	120.7
April	4,240	811	469	448	7,146	14,393	28,357	98.7	103.3	103.7	105.9	887.9	27,653	120.1	111.0
May	3,922	642	455	506	7,095	15,256	26,637	98.6	101.5	102.9	105.4	869.9	27,866	117.5	94.4
June	4,049	814	503	473	7,029	14,794	27,081	98.4	101.8	103.7	105.1	868.0	29,227	123.0	95.2
July	4,607	834	681	567	7,217	14,709	38,667	98.6	102.2	103.8	105.3	869.9	30,582	124.9	99.3
August	4,374	908	529	485	7,226	14,468	27,026	99.6	104.5	105.4	107.1	872.8	28,015	114.3	109.0
September	4,568	887	746	585	7,335	14,825	23,231	100.1	103.1	104.4	106.5	886.9	26,367	113.7	102.4
October	4,275	826	670	509	7,463	15,726	32,579	101.0	104.5	105.9	107.8	901.8	28,510	116.8	111.5
November	4,237	826	629	569	7,462	15,591	33,786	101.8	103.2	105.3	107.9	894.0	28,223	120.6	115.4
December	6,082	1,179	793	740	7,629	16,346	76,816	101.6	103.4	105.3	108.0	890.8	47,880	187.9	164.1
1960 January	2,943	677	669	619	7,855	14,115	26,152	101.5	104.2	106.2	108.8	908.1	27,304	111.2	120.2
February	3,853	870	676	608	7,762	15,568	26,005	101.1	104.7	106.3	108.9	906.5	26,922	116.8	116.5
March	4,998	1,080	952	822	7,869	16,817	35,566	101.0	104.8	105.8	108.3	912.0	30,176	123.1	130.1
April	5,584	1,290	696	641	7,772	16,141	34,713	100.9	106.0	106.5	108.9	916.7	30,194	127.3	117.0
May	5,024	1,114	688	566	7,765	16,445	31,646	100.8	105.4	106.8	109.8	913.1	29,771	120.6	101.2
June	5,287	1,227	882	813	8,017	15,758	32,312	100.7	105.5	108.0	110.5	907.1	31,848	127.5	100.2
July	..	..	919	848	8,295	16,208	48,100	100.6	105.5	108.3	110.6	904.4	33,784	130.7	..
August	..	..	760	726	8,372	15,784	▲31,986	101.0	108.2	109.7	▲112.1	906.6	30,196	118.3	..
September	..	..	..	..	..	16,249	..	101.8	107.6	..	112.3	913.9	..	..	..
Ag. Pre. Month (%)	⊕ 5.2	⊕10.1	⊖17.3	⊖14.4	⊕ 0.9	⊕ 2.9	⊖33.5	⊕ 0.8	⊖ 0.6	⊕ 1.3	⊕ 0.2	⊕ 0.8	⊖10.6	⊖ 9.5	⊖ 0.9
Ag. Cor. Month Year Ago (%)	⊕30.6	⊕50.7	⊕43.7	⊕49.7	⊕58.5	⊕ 9.6	⊕18.4	⊕ 1.7	⊕ 4.4	⊕ 4.1	⊕ 5.4	⊕ 3.0	⊕ 7.8	⊕ 3.5	⊕ 5.2

Source: Construction Ministry for (a); EPA for (b); National Railways for (c); MITI for (d); Bank of Japan for (e) & (f); Prime Minister's Office for (g); *Oriental Economist* for (h); Prime Minister's Office for (i); EPA for (j); Agriculture & Forestry Ministry for (k). Enterprises Surveyed Number 127. ▲ Revised at source

1. Economic Indicators (4)

Items	Real Wage Indices (Manufacturing)	Cash Wage (Manufacturing)	Employment Indices (Mfg. Regular Employees) (a)	Employment	Unemployment (b)	Foreign Trade (c)		Foreign Exchange (d)				Gold & Foreign Ex. Reserve (e)	Export and Import Price Index (f)	
								Visible Trade			Overall Balance			
						Exports	Imports	Receipts	Payments	Balance			Exports	Imports
Units & Standards	1955=100	Yen	1955=100	10,000		U.S.$ million							1953=100	
1950	75.6	9,133	—	3,572	44	820	974	—	—	—	—	—	—	—
1951	82.3	11,708	85.4	3,622	39	1,355	1,995	—	—	—	—	—	—	—
1952	91.5	13,516	87.9	3,729	47	1,273	2,028	—	—	—	—	* 930	—	—
1953	96.2	15,322	92.0	3,912	45	1,275	2,410	—	—	—	—	* 913	100.0	100.0
1954	95.3	16,309	97.1	3,962	59	1,629	2,399	—	—	—	—	* 637	96.9	94.2
1955	100.0	16,717	100.1	4,088	68	2,011	2,471	—	—	—	—	* 738	93.4	94.2
1956	108.9	18,348	109.5	4,172	63	2,501	3,230	—	—	—	—	* 839	96.4	95.2
1957	109.3	19,259	122.7	4,284	52	2,858	4,284	3,612	4,002	▽ 389	▽ 417	524	97.4	101.4
1958	112.8	19,180	125.4	4,312	56	2,877	3,033	3,441	2,932	509	337	861	90.7	88.4
1959	121.0	20,792	136.3	4,370	58	3,456	3,599	3,913	3,561	352	461	1,322	90.4	83.2
Ag. Pre. Year (%) ('58)	⇔ 3.2	⇔ 0.4	⇔ 2.2	⇔ 0.7	⇔ 7.7	⇔ 0.7	▽ 29.2	▽ 4.7	▽ 26.7	—	—	⇔ 64.3	▽ 6.9	▽ 12.4
Ag. Pre. Year (%) ('59)	⇔ 7.3	▽ 8.4	⇔ 8.7	⇔ 1.3	⇔ 3.6	⇔ 20.2	⇔ 18.6	▽ 13.7	▽ 21.5	—	—	⇔ 53.5	⇔ 0.4	▽ 5.4
1956 January	96.6	15,914	102.4	3,846	68	150	219	—	—	—	—	—	93.5	94.4
February	93.7	15,598	102.8	3,844	74	186	220	—	—	—	—	—	95.3	95.2
March	92.7	15,478	104.5	4,027	105	224	253	—	—	—	—	—	95.4	94.4
April	95.0	15,925	108.6	4,187	70	195	255	—	—	—	—	—	95.7	93.2
May	93.5	15,623	109.0	4,330	62	195	272	—	—	—	—	—	96.0	94.4
June	119.6	20,435	109.9	4,376	56	211	280	—	—	—	—	—	96.5	94.4
July	132.6	22,214	110.8	4,305	56	198	276	—	—	—	—	—	96.8	96.4
August	98.7	16,647	111.5	4,222	56	216	289	—	—	—	—	—	97.4	96.4
September	94.3	16,055	112.6	4,209	55	205	259	—	—	—	—	—	97.3	97.4
October	94.4	16,179	113.3	4,325	50	234	305	—	—	—	—	—	97.5	97.4
November	99.0	16,692	113.9	4,263	53	216	282	—	—	—	—	—	97.5	97.4
December	195.6	33,407	114.5	4,130	56	272	319	—	—	—	—	—	98.0	98.2
1957 January	96.4	16,652	114.9	3,991	57	169	328	283	335	▽ 53	▽ 61	880	98.2	100.4
February	95.2	16,433	115.9	4,023	60	213	344	275	347	▽ 72	▽ 63	817	99.2	101.4
March	92.5	16,039	118.4	4,169	82	274	393	299	377	▽ 78	▽ 80	738	99.6	102.4
April	95.6	16,694	124.4	4,282	58	225	433	296	381	▽ 85	▽ 53	685	98.5	103.4
May	93.1	16,411	124.9	4,372	46	237	453	309	422	▽ 114	▽ 77	608	98.4	104.4
June	125.6	22,118	125.5	4,413	45	210	393	283	384	▽ 101	▽ 97	511	98.0	103.4
July	136.6	24,347	125.6	4,399	47	251	389	312	376	▽ 64	▽ 11	500	97.9	102.4
August	98.0	17,619	125.2	4,351	48	258	362	319	330	12	▽ 18	481	96.8	102.4
September	92.0	16,481	125.0	4,336	48	259	320	284	268	▽ 17	27	455	96.4	101.4
October	91.3	16,326	124.6	4,441	50	225	306	329	265	64	8	463	95.9	100.4
November	94.0	16,592	124.1	4,399	43	236	266	299	238	61	15	478	94.5	98.4
December	200.7	35,394	123.8	4,233	42	302	297	324	278	47	46	524	94.5	96.4
1958 January	97.5	16,590	123.1	4,031	52	182	270	280	255	15	▽ 3	522	93.9	93.4
February	96.5	16,296	122.5	4,046	57	242	261	282	249	33	42	564	92.5	92.4
March	94.5	15,889	123.5	4,202	85	287	273	305	261	43	65	629	91.7	91.4
April	96.8	16,336	127.1	4,295	54	221	254	271	227	44	34	663	91.4	89.4
May	95.7	16,149	126.5	4,472	51	231	264	297	272	24	39	702	90.9	88.4
June	126.2	21,537	126.3	4,489	59	227	256	268	255	13	16	718	90.5	88.4
July	148.3	25,181	126.1	4,409	57	231	253	279	235	44	21	739	90.2	88.4
August	100.6	17,262	125.8	4,345	58	227	245	269	229	40	43	781	90.3	87.4
September	96.4	16,475	126.0	4,359	53	230	235	278	209	69	▽ 23	759	90.0	86.4
October	95.7	16,473	125.9	4,457	49	257	235	295	237	58	46	805	89.3	85.4
November	99.8	17,024	126.0	4,389	49	237	223	286	218	69	▽ 0.3	805	89.2	85.4
December	205.3	34,943	126.1	4,252	53	303	264	341	284	57	56	861	89.0	84.4
1959 January	99.8	17,010	126.1	4,061	67	175	241	264	246	18	7	868	88.9	84.4
February	100.5	17,043	126.9	4,068	71	275	254	283	252	31	70	938	88.9	84.4
March	98.0	16,678	129.7	4,237	92	279	295	325	285	40	36	974	88.8	83.4
April	101.8	17,425	135.6	4,393	57	261	299	280	280	0	35	1,009	89.1	83.4
May	101.3	17,190	136.4	4,541	54	278	322	302	313	▽ 11	64	1,073	89.5	83.4
June	138.9	23,767	137.4	4,539	59	273	325	349	314	35	32	1,105	90.0	84.4
July	158.2	27,109	138.1	4,489	58	300	313	338	302	36	97	1,201	90.0	84.4
August	105.4	18,329	138.9	4,425	59	301	290	333	289	44	▽ 20	1,181	90.8	84.4
September	102.5	17,659	140.3	4,367	45	283	299	350	302	48	28	1,209	91.2	83.4
October	101.7	17,777	141.1	4,548	41	345	298	361	292	69	41	1,250	91.8	83.4
November	107.3	18,649	142.0	4,456	44	293	290	343	307	36	41	1,291	92.9	82.4
December	235.1	40,869	142.7	4,248	46	394	373	385	379	6	30	1,322	93.2	82.4
1960 January	103.4	18,129	143.0	4,101	55	218	331	310	339	▽ 29	▽ 6	1,328	93.6	82.4
February	104.2	18,281	143.9	4,202	51	318	364	329	350	▽ 21	▽ 7	1,321	94.1	83.4
March	103.7	18,110	147.6	4,331	72	350	435	394	390	4	31	1,361	94.4	83.4
April	106.2	18,669	155.7	4,488	47	311	355	329	338	▽ 9	22	1,385	94.7	83.4
May	104.6	18,440	156.3	4,613	42	311	385	379	387	▽ 8	34	1,419	94.3	82.4
June	148.9	26,537	157.0	4,599	41	337	372	370	386	▽ 16	35	1,451	94.2	82.4
July	170.5	30,490	157.0	4,598	40	340	379	389	388	1	48	1,505	93.8	81.4
August	..	..	..	4,538	41	342	369	397	382	15	69	1,569	94.2	81.4
September	..	..	..	..	..	368	385	..	..	..	..	1,658	..	..
Ag. Pre. Month (%)	⇔ 14.5	⇔ 14.9	0	▽ 1.3	⇔ 2.5	⇔ 7.6	⇔ 4.3	⇔ 2.1	▽ 1.5	⇔ 50.0	⇔ 43.8	⇔ 5.7	⇔ 0.4	▽ 0
Ag. Cor. Month Year Ago (%)	⇔ 22.8	⇔ 28.3	⇔ 13.7	▽ 2.6	▽ 29.3	⇔ 30.0	⇔ 28.8	⇔ 19.2	▽ 32.2	▽ 65.9	—	⇔ 37.1	⇔ 3.7	▽ 3

Source: Labor Ministry for (a); Prime Minister's Office for (b); Ministry of Finance for (c), (e) and (f); Bank of Japan for (d).
Note: * End of March.

2. Treasury Accounts with the Public

(In ¥100,000,000) (Ministry of Finance)

Items	Fiscal 1959 Apr.–June	July–Sept.	Oct.–Dec.	Jan.–Mar.	Total	Fiscal 1960 Apr.–June	July–Sept.	July	Aug.	Sept.	Fiscal 1959 Sept.
General Account											
Revenue											
Taxes	2,620	2,880	3,012	3,400	11,913	3,472	3,839	▲ 1,228	▲1,247	1,364	974
Monopoly	396	344	226	257	1,226	▲ 436	390	▲ 106	▲ 166	118	104
Others	193	105	118	105	521	▲ 197	107	▲ 38	▲ 32	37	34
Total	3,329	3,329	3,356	3,762	13,660	4,105	4,336	▲ 1,372	1,445	1,519	1,112
Expenditure											
Security Forces	103	116	108	81	409	—	—	—	—	—	—
Defense Agency	395	231	390	298	1,318	▲ 411	283	85	▲ 91	107	82
Public Works Expenditure	230	235	421	415	1,294	▲ 431	218	▲ 35	▲ 105	78	60
Local Finance Equalization Grants	1,171	724	647	378	2,919	1,304	784	42	▲ 60	682	618
Compulsory Education Expenditure	261	192	346	178	977	▲ 326	240	▲ 84	▲ 87	69	60
Others	1,137	913	1,375	1,023	4,449	▲1,353	1,082	▲ 360	▲ 369	353	348
Total	3,297	2,411	3,289	2,273	11,366	3,825	2,607	606	▲ 712	1,289	1,168
Balance	⊣ 88	918	69	1,389	2,294	280	1,729	▲ 766	▲ 733	230	⊣ 56
Special Accounts and Others											
Foodstuff Control	953	⊣ 445	⊣ 1,462	781	⊣ 174	1,011	⊣ 680	⊣ 645	▲ 124	⊣ 159	23
Trust Funds Bureau	⊣ 214	32	645	71	⊣ 753	⊣▲ 489	22	78	40	60	47
Industrial Investment	⊣ 44	30	⊣ 44	33	⊣ 23	24	53	2	⊣ 10	61	53
Road Improvement	⊣ 187	⊣ 161	⊣ 291	⊣ 149	⊣ 789	⊣ 254	⊣ 183	⊣ 44	⊣ 63	⊣ 76	⊣ 46
National Railways and Nippon Telegraph & Tel. Public Corporation	⊣ 97	181	⊣ 329	244	⊣ 6	⊣▲ 115	209	▲ 1	130	78	60
Finance Corporation	⊣ 310	⊣ 255	⊣ 441	⊣ 311	⊣ 1,296	⊣▲ 359	⊣ 294	⊣▲ 69	⊣ 74	⊣ 151	⊣ 126
Others	⊣ 147	356	119	639	967	⊣▲ 46	386	▲ 207	▲ 160	19	77
Total	⊣ 46	⊣ 262	⊣ 3,066	1,308	⊣ 2,074	⊣▲ 228	⊣ 487	⊣▲ 626	307	⊣ 168	88
Adjustment Items	⊣ 118	⊣ 8	22	61	⊣ 40	⊣ 13	5	⊣ 20	21	⊣ 6	⊣ 11
Foreign Exchange	⊣ 473	⊣ 411	⊣ 495	⊣ 132	⊣ 1,513	⊣▲ 360	⊣ 801	⊣ 228	⊣▲ 222	⊣ 351	⊣ 120
Balance	⊣ 725	237	⊣ 3,470	2,626	⊣ 1,333	⊣ 321	436	⊣ 108	839	⊣ 295	⊣ 99

3. Monthly Report of All Banks

(July 1960 Excluding Bank of Japan)
(In million yen) (Bank of Japan)

	All Banks							Trust Account (16)
	Debenture Issuing Banks (3)	City Banks (13)	Local Banks (64)	Trust Banks (7)	Total (87)	Leftover from Pre. mo. (87)	Month-end, previous year (86)	
Deposits								
Current Deposits	23,709	841,916	240,404	57,516	1,163,547	1,124,709	1,063,255	—
Ordinary Deposits	9,500	763,847	485,917	30,086	1,289,351	1,274,063	1,103,399	—
Deposits at Notice	37,141	346,093	113,454	55,034	551,724	573,422	464,191	—
Time Deposits	19,134	2,605.575	1,501,621	100,559	4,226,891	4,152,086	3,510,086	—
Special Deposits	2,717	168,359	61,424	12,137	244,639	295,689	232,209	—
Instalment Savings	—	35,215	140,426	3,479	179,121	177,509	176,806	—
Deposits for Tax Payment	515	10,756	3,450	457	15,187	11,543	10,633	—
Deposits of Gov't and Gov't Agencies	511	152,447	—	—	152,958	147,625	127,630	* 244,520
Other Deposits	122	11,708	5	—	11,836	2,232	923	** 452,247
Total	93,353	4,935,918	2,546,714	259,271	7,835,258	7,758,883	6,689,136	—
Borrowed Money	12,570	547,156	6,834	6,342	572,903	542,507	415,054	—
Due to the Bank of Japan Only	4,750	407,047	5,072	583	417,453	413,804	322,369	—
Borrowings for Settlement of Import Bills	—	—	—	—	—	11,075	30,443	—
Call Money	4,120	254,498	8,937	15,547	283,103	286,371	275,208	—
Cash and Deposits								
Cash in Hand	20,508	729,269	160,804	37,927	948,509	955,727	873,585	4,343
Deposits with Domestic Money Organs	2,171	25,179	32,562	7,853	67,767	62,550	34,411	844
Call Loans	10,682	255	99,141	15 465	125,543	137.766	87,314	88,916
Securities								
Government Bonds	1,635	34,140	3,386	384	44,546	44,607	45,371	32
Local Government Bonds	4,622	67,636	30,802	288	103,349	101,798	89,178	1,540
Foreign Bonds	12	2,251	—	—	2,164	2,018	1,582	—
Corporate Debentures	41,693	586,486	374,912	21,183	1,024,276	1,005,017	807,160	6,287
Stocks	20,071	134,829	40,964	9,226	205,091	200,521	154,584	7,230
Other Bonds	411	914	1,606	5,231	8,164	8,251	7,123	29
Total	68,447	826,158	456,672	36,313	1,387.592	1,362,215	1,105,000	15,122
Advance								
Discount Bills	17,783	1,599,642	625,569	118,458	2,361,452	2,300,000	1,871,156	12,887
Bank Acceptance Bills	—	961	13,814	13	14,789	15,418	21,770	—
Commercial Bills	17,783	1,597,920	610,053	118,442	2,344,198	2,282,214	1,847,080	—
Documentary Bills	—	760	1,701	2	2,464	2,367	2,306	—
Advances against Guarantee	833,803	2,671,890	1,385,483	107,165	4,998,342	4,935,400	4,291,468	636,660
Loans on Bills	63,249	2,601,322	1,319,141	103,266	4,086,979	4,036,375	3,551,149	142,481
Loans on Deeds	770,473	26,975	49,060	2,938	849,447	836,608	684,107	178,622
Overdrafts	80	43,592	17,281	960	61,915	62,416	56,148	—
Loans for Settlement of Import Bills	471	16,443	497	231	17,643	19,314	48,638	—
Total	851,586	4,271,532	2,011,052	225,623	7,359,795	7,245,715	6,211,265	649,547

Note : * Money in trust total. **Loan trust. Figures in parentheses denote the number of banks surveyed. ▲ Revised at source.

4. Bank of Japan Ten-day Report

(In million yen)

(Bank of Japan)

Items	1960			1959
	Sept. 10	Sept. 20	Sept. 30	Sept. 30
LIABILITIES				
Bank Notes Issued	818,404	811,723	920,996	785,375
Bankers' Deposits	40,135	68,180	37,432	25,513
Government Deposits	30,756	34,835	38,071	38,058
Other Deposits	11,884	13,095	13,610	12,478
Reserves Against Contingencies	49,128	49,128	52,628	46,028
Other Liabilities	40,191	42,291	40,697	41,916
Capital Stock	100	110	100	100
Reserve Funds	29,535	29,535	29,535	25,486
Total	1,020,136	1,048,890	1,133,072	974,958
ASSETS				
Bullion	25,521	25,521	25,521	25,521
Cash	7,272	7,991	7,556	7,518
Discounted Bills	59,287	62,861	58,526	50,821
Loans	374,624	357,573	392,275	366,697
Foreign Exchange Loans	—	—	—	—
Loans to Gov't	—	—	—	—
Government Bonds	258,348	298,379	366,411	306,660
Foreign Ex. Accounts	216,570	216,727	234,869	162,625
Agencies Accounts	14,606	15,186	30,908	28,566
Other Assets	63,905	64,648	17,001	26,548
Total	1,020,136	1,048,890	1,133,072	974,958

5. Outstanding Loans to Industries by All Banks

(In million yen)

(Bank of Japan)

End of Month	July 1960			Aug. 1960		
	Loans Total	For Equipments	For Co. of ¥10 Million or less	Loans Total	For Equipments	For Co. of ¥10 Million or less
Manufacturing total	3,604,084	568,524	901,881	3,658,638	583,870	911,55
Foodstuffs	273,935	20,767	125,204	273,382	21,538	123,37
Textiles	681,217	70,739	216,847	698,769	72,280	222,68
Wood and Wood Products	134,739	5,104	110,863	137,219	5,384	113,16
Paper & Related Products	207,390	46,536	33,167	208,688	47,521	32,51
Printing & Publishing	68,551	8,061	23,825	69,153	8,433	23,98
Chemicals	453,586	116,118	47,887	458,621	119,112	48,15
Glass & Ceramics	138,481	29,075	25,258	142,152	30,133	25,96
Iron & Steel	375,886	110,486	31,299	377,153	112,187	31,14
Non-ferrous Metals	114,406	16,420	18,582	115,863	17,185	18,76
Machinery	201,039	15,722	80,789	204,544	16,177	81,56
Electric Machinery & Tools	319,946	46,317	34,699	328,490	47,828	35,23
Trans. Machinery & Tools	278,950	33,583	32,464	283,902	34,995	32,37
Agriculture	20,321	1,190	20,003	20,719	1,211	20,41
Forestry & Hunting	14,157	92	11,277	14,222	147	11,37
Fishery	86,145	26,286	24,402	87,909	26,722	24,89
Mining	162,297	39,200	16,042	163,951	40,298	16,59
Metal Mining	43,203	12,589	1,237	42,785	13,047	1,45
Coal Mining	97,797	18,796	8,653	98,872	18,882	8,80
Construction	187,161	8,260	73,432	191,403	8,700	75,08
Wholesale & Retail	2,130,527	37,087	988,193	2,162,833	38,444	1,002,56
Wholesale	1,925,247	20,669	843,777	1,956,641	21,668	856,62
Retail	205,279	16,418	144,416	206,191	16,775	145,93
Finance Insurance	109,712	256	12,849	108,790	248	12,90
Real Estate	60,499	20,476	23,323	62,683	20,855	24,15
Trans. & Communications	369,085	183,682	41,997	367,795	184,274	42,06
Railways	78,331	31,048	330	77,540	30,823	34
Shipping	167,144	118,089	15,399	166,793	118,184	15,32
Public Utilities	261,261	245,611	367	266,839	249,351	36
Services	226,611	223,831	2	230,015	227,222	
Local Public Corporation	156,659	49,273	97,385	159,329	51,298	99,34
Others	36,807	11,611	—	39,856	11,635	
	99,158	6,946	99,158	101,088	7,049	101,08
Total	7,297,879	1,198,500	2,310,316	7,406,062	1,224,110	2,342,41

6. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate		Balance at the End of the Month (million yen)	Rate		Balance at the End of the Month (million yen)
	Over-Month-End (sen)	Unconditional (sen)		Over-Month-End (sen)	Unconditional (sen)	
1960: Apr.	2.30	2.30	232,293	2.30	2.30	62,511
May	2.30	2.30	222,434	2.30	2.30	62,833
June	2.30	2.30	219,064	2.30	2.30	55,182
July	2.30	2.30	216,351	2.30	2.30	51,292
Aug.	2.30	2.30	210,636	2.30	2.30	54,986
Sept.	2.30	2.30	197,732	2.30	2,30	44,911
1959: Sept.	2.30	2.30	150,306	2.30	2,30	37,456

7. Postal Savings & Postal Transfer Savings

(In million)

(Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1959: Nov.	61,804	60,059	916,986	9,847	926,843
Dec.	131,380	86,961	962,225	10,937	973,162
1960: Jan.	76,249	58,803	979,672	9,740	989,412
Feb.	72,563	73,725	978,509	8,497	987,007
March	91,383	83,243	986,650	8 793	995,442
April.	93,962	90,671	989,940	7,356	997,296
1959: April.	79,289	80,343	852,786	7,501	860,287

8. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
	(1,000)		(1,000)		(1,000)	
1959: Nov.	15,136	4,522	6,038	2,186	3,238	923
Dec.	21,500	5,975	8,490	2,884	3,129	1,208
1960: Jan.	12,202	4,233	4,906	2,061	4,458	850
Feb.	15,918	5,054	6,287	2,464	2,347	1,052
Mar.	16,808	5,825	6,725	2,897	3,287	1,160
Apr.	15,930	5,377	6,380	2,609	3,425	1,133
May	16,562	5,094	6,597	2,452	3,290	1,070
June	18,065	5,511	7,073	2,703	3,411	1,196
July	16,520	5,156	6,688	2,481	3,367	1,096
Aug.	17,554	5,711	6,892	2,795	3,631	1,210
1959: Aug.	14,976	4,541	5,933	2,146	3,110	978

9. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Local Gov't Bonds	Financial Debenture		Industrial Debenture
			Interest Bearing	Discount	
1959: Dec.	6.324	7.682	7.621	6.643	7.899
1960: Jan.	—	7.682	7.621	6.643	7.911
Feb.	—	7.659	7.621	6.643	7.883
Mar.	6.324	7.672	7.621	6.643	7.907
Apr.	—	7.720	7.621	6.643	7.897
May	—	7.683	7.621	6.643	7.910
June	6.324	7.707	7.621	6.643	7.899
July	—	7,763	7.610	6.643	7.922
Aug.	—	7.718	7.610	6.643	7.902
1959: Aug.	—	7.720	7.621	6.643	7.909

Note: Table 6: How to Compute Per Diem Interest: In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in vogue in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate, multiply the latter by 365. For example, a per diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

10. Government Bonds

(In million yen) (Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes		
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1960: April	555	2,347	458,978	178,000	162,073	266,012	242,111	276,762	293,527
May	403	3,817	455,563	102,077	114,010	254,079	50,003	162,397	181,133
June	1,619	1,199	455,983	215,011	201,922	267,168	102,076	151,129	132,080
July	446	1,177	455,252	52,010	80,157	239,021	87,085	30,004	189,161
August	459	192	455,520	200,094	207,021	232,094	75,025	121,062	143,124
1959: August	723	176	401,060	72,000	75,589	181,000	157,032	213,895	193,160

11. Corporate Debentures & Public Corporation Bonds

(In million yen) (Industrial Bank of Japan)

End of Month	Banking Bonds			Corporate Debentures						Public Corporation Bonds		
				Industrial Bonds			Total					
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance
1960: Mar.	33,875	20,143	871,584	▲ 19,229	6,352	▲ 573,793	▲ 60,836	28,289	▲1,723,779	7,732	1,793	278,400
Apr.	35,277	16,546	890,315	▲ 16,626	5,501	▲ 584,917	▲ 57,082	22,496	▲1,758,364	5,178	448	283,130
May	35,089	16,798	908,606	▲ 16,058	5,224	▲ 595,751	▲ 66,153	22,324	▲1,802,193	15,005	301	297,834
June	35,795	16,546	927,855	▲ 16,370	5,219	▲ 606,902	▲ 65,811	21,806	▲1,846,197	13,645	39	311,440
July	37,376	17,700	947,531	17,079	5,202	▲ 618,778	66,556	23,383	▲1,889,370	12,100	480	323,059
Aug.	38,024	18,754	966,802	18,010	6,053	630,734	72,193	30,024	1,931,538	16,158	5,216	334,001
1959: Aug.	28,483	13,698	750,653	13,780	3,411	490,674	48,710	17,482	1,474,871	6,456	372	233,544

12. Contracts & Investments of Mutual Life Insurance Companies

(In million yen) (Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1960: April	157,702	5,696,301	367,410	6,141	150,537	11,868	136,250	52,781	3,903	8,056
May	193,107	5,778,347	375,501	8,349	152,038	12,204	137,407	54,215	4,223	8,168
June	194,067	5,866,687	384,256	9,530	154,338	12,429	139,455	55,955	4,168	8,729
July	295,421	6,007,166	392,488	7,245	156,352	12,990	141,094	57,956	3,635	8,896
1959: July	208,543	4,783,991	301,311	8,430	124,514	6,891	113,038	41,747	3,185	7,111

13. Contracts & Investments of Non-Life Insurance Companies

(In million yen) (Non-Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Deposits	Cash	Asset Total (Inc. Others)
					Total	Debentures	Stocks				
1960: April	2,313,530	12,985,489	24,539	2,563	77,391	4,214	67,778	18,365	30,585	462	177,143
May	2,437,882	13,288,012	24,607	2,532	78,294	4,378	68,553	18,488	31,259	382	178,916
June	2,581,710	13,515,285	24,837	1,695	79,302	4,378	69,875	18,634	31,584	415	178,860
July	..	..	25,411	1,785	80,263	4,256	70,944	18,895	30,478	469	180,171
1959: July	1,921,621	11,601,863	22,658	3,900	67,125	3,576	58,753	17,533	33,334	550	160,359

14. Stock Issue Plan & Paid-Up Capital

(In million yen) (Ministry of Finance)

Year & Month	Stock Issue Plan						Paid-Up Capital					
	Over ¥50 million		Under ¥50 million		Total		Over ¥50 million		Under ¥50 million		Total	
	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital
1960: February	58	31,757	427	8,391	485	40,149	53	55,491	167	3,387	220	58,877
March	47	22,830	452	8,826	499	40,390	42	30,962	424	7,999	466	38,962
April	43	21,812	366	7,868	409	29,680	75	46,407	442	11,195	517	57,617
May	33	19,541	390	7,907	423	27,448	36	14,841	360	8,099	396	22,940
June	51	35,415	438	9,057	489	44,471	38	13,076	421	7,862	459	20,938
July	51	54,347	343	5,497	394	59,845	50	32,263	415	6,725	465	38,989
August	60	27,727	400	9,791	460	37,518	42	24,930	350	7,199	392	32,130
1959: August	43	16,630	346	8,150	389	24,780	29	14,998	333	10,000	362	24,998

15. Tokyo Wholesale Price Indices

(1952=100) (Bank of Japan)

Year & Month	Total Average	Metal & Machinery	Textiles	Agricultural Products	Fuels	Building Materials	Chemical Products	Sundries	By Uses		
									Producer's Goods	Capital Goods	Consumer's Goods
1960: May	100.8	100.1	75.1	109.4	108.6	130.8	80.3	91.5	99.1	114.1	103.1
June	100.7	99.4	74.0	110.0	108.9	130.6	80.2	91.2	98.7	113.8	103.2
July	100.6	99.1	74.2	110.1	108.5	131.1	80.1	90.6	98.5	113.7	103.3
August	101.0	98.5	75.2	111.3	108.3	132.3	80.2	90.0	98.5	113.7	104.4
September	101.8	98.3	77.2	111.0	108.8	136.0	80.0	89.5	99.7	115.2	104.5
1959: September	100.1	100.8	78.0	107.4	103.6	130.3	78.4	90.7	99.5	113.9	100.9

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bonds and Telephone & Telegraph Corporation Bonds. ▲ Revised at source.

16. Tokyo Retail Price Indices

(1952=100) (Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1960: April	106.0	116.1	86.7	94.4	106.8	125.9	97.0	101.5	31,851.3
May	105.4	115.0	86.4	94.1	106.8	124.7	97.3	101.4	31,671.0
June	105.5	115.5	86.7	93.7	106.2	124.4	96.7	101.6	31,701.1
July	105.5	115.8	86.2	93.7	106.2	123.5	96.3	101.8	31,701.1
August	108.1	120.7	86.2	93.7	105.4	124.5	96.6	102.3	32,482.3
September	107.6	119.2	86.9	93.9	105.4	126.9	96.9	103.0	32,332.1
1959: September	103.1	112.0	83.3	95.3	104.8	121.4	97.1	100.2	30,979.9

17. Consumer Price Indices

(1955=100) (Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Housing	Light & Fuel	Clothing	Miscellaneous
All Cities	1960: March	105.8	102.9	100.4	104.4	125.9	112.2	96.4	110.1
	April	106.5	103.8	100.3	105.9	126.3	111.5	96.3	111.2
	May	106.8	104.2	100.4	106.5	126.5	110.9	97.2	111.4
	June	108.0	106.5	100.5	110.1	127.0	110.6	96.6	111.5
	July	108.3	106.7	101.0	110.2	128.0	110.8	96.8	111.8
	August	109.7	109.0	101.6	113.4	128.5	111.1	96.5	112.7
	1959: August	103.8	101.2	101.0	101.3	120.8	104.7	94.8	109.2
Tokyo	1960: March	108.3	105.4	104.4	105.9	131.1	108.6	100.9	111.4
	April	108.9	105.5	104.5	106.0	131.2	108.1	100.4	113.5
	May	109.8	107.7	104.4	109.2	130.8	107.9	99.7	113.5
	June	110.5	108.8	104.6	111.0	131.4	107.7	99.6	113.5
	July	110.6	108.9	105.0	110.7	133.3	107.7	98.6	114.1
	August	112.2	111.6	108.6	113.1	133.5	107.7	98.6	114.8
	September	112.3	111.3	107.8	112.9	134.2	108.4	100.5	114.7
	1959: September	105.3	102.7	104.6	101.8	126.3	101.3	97.0	109.2

18. Labor Population Survey

(In 10,000) (Labor Ministry)

Year & Month	Total Population	Population 15 years old and over: Total [1]	Labor Force: Total of the following three columns	Labor Force: Agriculture & Forestry	Labor Force: Non-Agricultural Industries	Labor Force: Totally Unemployed	Not in Labor Force
1960: March	9,341	6,545	4,331	1,390	2,940	72	2,130
April	9,348	6,553	4,488	1,513	2,974	47	2,012
May	9,355	6,558	4,613	1,684	2,928	42	1,896
June	9,361	6,563	4,599	1,666	2,953	41	1,913
July	9,367	6,570	4,598	1,579	3,017	40	1,916
August	9,375	6,578	4,538	1,538	2,999	41	1,982
1959: August	9,289	6,478	4,425	1,603	2,822	59	1,985

19. Labor Disputes & No. of Participants

(1,000 Participants) (Labor Ministry)

Year & Month	Dispute Total: No. of Cases	Dispute Total: No. of New Occurances	Accompanied by Disputes: Total: No. of Cases	Total: No. of Participants	Strikes: No. of Cases	Strikes: No. of Participants	Work Slowdown: No. of Cases	Work Slowdown: No. of Participants	Business Control: No. of Cases	Business Control: No. of Participants
1960: January	214	(52)	51	64	32	22	21	42	—	39
February	264	(100)	129	62	76	31	66	32	—	—
March	401	(189)	210	218	133	95	110	150	—	—
April	437	(231)	298	345	224	239	133	169	—	—
May	358	(156)	203	241	70	39	142	210	1	54
June	360	(277)	272	944	123	262	204	848	1	54
July	202	(103)	99	71	65	22	41	49	1	54
1959: July	292	(147)	154	200	128	177	37	30	2	107

20. Industrial Production Indices

(1955=100) (Statistics Bureau, MITI)

Year & Month	Composite	Public Utilities	Mining-Manufacturing	Mining	Manufacturing	Iron & Steel	Non-ferrous Metals	Machinery	Ceramics	Chemicals	Oil & Coal	Rubber	Hides & Leathers	Paper & Pulp	Textiles
1960: Jan.	192.4	170.3	194.1	116.7	200.6	189.0	195.2	339.3	164.8	177.4	243.1	204.6	105.6	166.7	145.1
Feb.	215.0	164.5	218.9	121.3	227.1	195.6	201.5	395.0	178.9	183.7	248.1	229.1	120.4	173.1	156.9
Mar.	230.3	180.3	234.2	130.4	242.9	211.5	218.3	419.6	293.4	199.2	278.5	245.7	131.7	189.5	158.2
Apr.	216.3	179.6	219.2	124.9	227.1	216.5	212.9	423.8	200.4	200.1	260.5	243.5	131.4	180.4	160.7
May	217.4	183.5	220.0	124.3	228.0	222.1	200.9	425.9	199.4	198.3	260.9	240.3	137.6	182.8	161.1
June	220.4	178.4	223.7	123.6	232.1	221.5	223.3	443.0	192.5	189.3	265.9	248.9	144.8	187.3	166.4
July	▲223.4	186.4	▲226.3	▲128.6	▲234.5	▲223.1	▲226.5	▲451.1	▲195.5	▲189.6	▲252.1	▲247.0	▲143.0	▲192.3	▲164.3
Aug.	221.8	183.2	224.8	122.2	233.4	219.0	225.5	445.9	201.4	195.7	247.7	240.9	142.7	190.3	162.2
1959: Aug.	177.7	155.8	179.4	111.4	185.1	177.3	172.7	320.9	160.2	163.9	210.9	192.2	124.9	164.3	136.6

Notes: * except perishable vegetables. Figures in parentheses in Table 20 are the numbers of companies surveyed. ▲ Revised. [1] 15 years and over.

21. Production by Major Items

Items	In	1960 June	1960 July	1960 August
Energies			▲	▲
Electricity	Mil. KWH	8,008	8,405	8,261
Coal	1,000 Tons	4,096	4,257	3,956
Cokes	Tons	971,840	1,000,062	1,005,379
Gas (city use)	1,000 CM	323,461	313,431	306,820
Crude Oil	Kl	47,243	50,028	50,810
Natural Gas	1,000 CM	52,681	59,123	57,102
Gasoline	Kl	488,867	437,172	449,270
Petroleum	,,	1,403,138	1,298,474	2,289,032
Lubricants	,,	55,270	54,084	50,090
Kerosene	,,	167,148	156,930	140,110
Light Oil	,,	195,840	191,065	179,396
Minerals				
Gold Ores	KG	685	721	669
Silver Ores	,,	17	18	17
Copper Ores	Tons	7,112	7,622	7,735
Lead Ores	,,	3,232	3,171	3,257
Zinc Ores	,,	12,787	13,370	13,263
Sulphuric Iron	1,000 Tons	294	304	305
Iron Ores	Tons	117,787	125,031	116,634
Sulphur	,,	20,169	20,883	19,357
Lime Stone	1,000 Tons	3,222	3,243	3,203
Non-ferrous Metals				
Electric Gold	KG	943	920	911
Electric Silver	,,	28,726	28.760	28.668
Electric Copper	Tons	21,156	21,318	21,215
Lead	,,	6,153	6,551	6,047
Zinc	,,	15,092	15,645	15,801
Electric Tin	KG	117,022	121,730	116,022
Quick Silver	,,	129,183	84,821	116,542
Aluminium	Tons	11,412	11,891	11,804
Rolled Aluminium	,,	9,323	9,209	9,192
Rolled Copper	,,	22,372	21,891	21,850
Electric Cables	,,	19,196	19,007	19,305
Iron & Steel				
Pig Iron	Tons	963,950	1,015,659	1,000,031
Ferro-alloys	,,	43,047	44,968	31,616
Steel	,,	1,777,292	1,845,125	1,861,859
Open Hearth Steel	,,	1,232,930	1,252,888	1,270,503
Converter Steel	,,	179,400	213,405	223,786
Electric Furnace Steel	,,	351,962	378,832	367,538
Forged Steel	,,	23,108	23,315	22,330
Cast Steel	,,	30,802	30,607	30,291
Hot Rolled Steel Materials	,,	1,302,362	1,299,483	1,359,559
Steel Shape (medium)	,,	35,132	37,342	40,290
Steel Bars (small)	,,	15,265	15,583	16,233
Wire Rod	,,	80,188	72,492	77,019
Steel Sheet (thick)	,,	202,196	220,055	241,620
Steel Sheet (thin)	,,	64,026	60,375	61,038
Steel Band (wire)	,,	256,081	300,250	333,982
Rolled Special Steel Materials	,,	90,705	95,385	95,930
Steel Tube	,,	97,905	98,804	100,468
Cold Rolled Steel Sheet	,,	167,004	177,734	180,396
Galvanized Steel Sheet	,,	70,107	76,190	81,154
White Sheet	,,	36,322	39,627	41,590
Machinery & Machine Tools				
Steam Boiler	T/H	488	614	1,051
Steam Turbine	KW	31,600	17,154	16,747
Water Turbine	,,	116,200	105,300	165,480
Gasoline Engine	,,	80,631	89,388	91,610
Oil Burners	,,	36,322	39,627	41,590
Diesel Engines	,,	97,290	99,884	93,469
Bearings	Tons	2,591	2,802	2,779
Transmitter	,,	1,226	1,247	1,349
Machine Tools	,,	4,133	4,926	5,510
Rolling Machine	,,	11,523	11,724	11,950
Crane	,,	2,603	2,687	2,630
Winches	,,	1,588	1,439	1,250
Conveyor	,,	4,925	4,018	3,495
Pump	,,	3,507	3,613	3,560
Refrigerator	,,	1,370	1,416	1,343
Spinning Machine	Units	1,209	1,243	991
Weaving Machine	,,	4,466	3,886	4,046
Sewing Machine	1,000 Units	234	225	227
Cultivator	Units	8,170	8,849	9,889
Hand Tractor	,,	12,485	12,432	18,434

Items	In	1960 June	1960 July	1960 August
			▲	▲
Thrasher	Units	23,291	26,857	30,655
Hulling Machine	,,	5,165	7,373	8,360
Rice-Wheat Cleaning Machine	,,	6,168	7,991	9,204
Alternating Current Motor	KW	487,271	482,586	506,801
Mercury Rectifier	,,	43,560	17,818	18,497
Transformer	1,000 KVA	2,559	2,218	2,548
Electric Fan	Units	204,810	176,276	174,132
Electric Washer	,,	138,437	132,287	128,957
Electric Refrigerator	,,	85,266	81,251	66,510
Telephone	,,	106,115	114,206	112,445
Automatic Switchboard	Circuits	71,914	67,562	65,786
Radio Set	1,000 Sets	1,065	1,056	1,064
Television Set	Sets	291,105	279,781	273,969
Electric Tube for Receiving	1,000 Pcs.	14,073	13,065	12,772
Industrial Meter	Units	12,881	15,122	15,219
Electric Bulb	1,000 Pcs.	13,521	13,237	13,246
Special Electric Bulb	,,	10,768	9,759	9,220
Passenger Car	Units	12,852	14,323	14,565
Bus	,,	577	597	591
Small Four-wheeler Chassis	,,	19,099	19,629	18,796
Truck Chassis	,,	7,428	7,533	7,308
Three-wheel Truck	,,	24,860	25,270	25,105
Motorcycle	,,	12,946	13,089	14,354
Bicycle	,,	282,602	261,401	262,560
Watch	1,000 Pcs.	1,181	1,135	1,187
Camera	Pcs.	147,830	150,039	155,000
Binoculars	,,	135,588	126,817	138,000
Textiles				
Rayon Yarn	Tons	11,863	12,116	12,329
Rayon Staple	,,	24,702	23,562	23,645
Synthetic Textile	,,	9,823	9,904	9,847
Vinylon	,,	1,854	1,941	1,951
Nylon	,,	3,284	3,286	3,458
Cotton Yarn	,,	48,009	45,637	45,667
Woollen Yarn	,,	11,949	11,229	10,676
Bast Fibre Yarn	,,	5,956	5,743	5,648
Rayon Staple Yarn	,,	17,853	17,211	17,442
Synthetic Fibre Yarn	,,	9,648	9,275	9,195
Cotton Textile	1,000 sq. m.	228,796	270,525	263,930
Woollen Textile	,,	26,295	26,697	27,112
Silk Textile	,,	19,248	18,285	17,390
Bast Fibre Textile	,,	9,464	8,625	7,362
Rayon Textile	,,	64,613	64,459	64,414
Rayon Staple Textile	,,	90,078	89,962	87,519
Synthetic Fibre Textile	,,	35,120	36,249	37,835
Paper & Pulp				
Pulp	Tons	292,686	302,258	300,073
Western-Style Paper	,,	204,975	210,394	210,865
Hard Board	,,	136,598	141,788	135,803
Chemicals				
Ammonium Sulphate	Tons	191,742	182,282	220,024
Superphosphate of Lime	,,	146,907	133,704	163,683
Carbide	,,	122,905	120,257	92,602
Chemical Fertilizer	,,	159,393	160,318	178,543
Calcium Cyanamide	,,	31,984	15,690	23,262
Urea	,,	37,176	35,412	30,085
Sulphuric Acid	,,	360,065	350,126	361,803
Caustic Soda	,,	73,068	75,094	73,948
Soda Ash	,,	44,406	42,842	42,733
Soap	,,	30,145	30,555	30,000
Paint	,,	26,334	27,544	29,533
Film	1,000 sq. m.	1,065	1,066	958
Cement & Ceramics				
Cement	1,000 Tons	1,761	1,786	1,902
Sheet Glass	1,000 Boxes	958	1,003	955
Porcelain & Ceramics	Tons	62.643	65,973	66,425
Glass Products	,,	44,144	43,343	42,959
Fire Brick	,,	126,123	125,141	125,900
Miscellaneous				
Automobile Tire	Tons	6,594	6,878	6,534
Leather	,,	7,437	6,952	6,465
Match	Match tons	40,641	39,035	36,547
Pencil	1,000 Gross	728	691	688
Metal Toy	1,000 Dz.	1,594	1,543	1,544

Note: ▲ Provisional figures. ▲ Revised.

22. Machinery Orders (In million yen) (Economic Planning Board)

Items	1960 Jan.	Feb.	Mar.	Apr.	May	June	July	1959 July
By Products								
Prime Movers	15,963	8,082	19,693	7,220	6,923	14,555	21,206	4,419
Heavy Electric Machinery	15,718	17,208	16,975	18,166	16,335	20,872	17,666	12,131
Communication Apparatus	3,965	3,245	5,305	8,444	3,843	5,915	8,117	4,088
Industrial Machinery	24,964	30,090	33,698	29,434	28,515	37,071	30,285	25,576
Machine Tools	2,715	3,836	4,269	4,288	3,761	4,783	3,900	2,158
Rolling Stocks	2,303	2,864	2,061	2,089	2,332	3,846	8,952	11,825
Ships	5,172	6,923	18,883	5,636	12,253	6,848	7,135	11,505
Total of the Above	70,800	72,248	100,884	▲75,277	73,962	93,890	97,261	71,702
Iron & Steel Frames	1,524	3,873	7,982	5,195	3,452	2,457	3,724	1,905
Bearings	2,500	2,722	2,850	2,837	2,787	2,810	3,006	2,369
Electric Wires & Cables	9,568	13,762	12,604	9,185	10,618	11,215	12,259	7,500
Total	13,592	20,357	23,436	17,217	16,857	16,482	16,989	11,774
By Customers								
Foreign Sources	4,031	5,539	13,082	5,258	7,716	7,832	7,130	7,949
Government	7,043	5,219	5,661	9,346	6,166	8,648	30,606	15,635
Private	53,300	53,871	73,002	▲51,268	51,561	68,047	50,837	41,937
Manufacturing	24,092	31,527	33,234	29,893	30,319	39,793	30,535	24,644
Textiles	3,001	3,149	3,122	3,494	2,907	3,520	2,520	4,574
Chemicals	6,088	7,756	10,535	8,886	9,123	11,569	9,674	6,841
Iron & Steel	8,072	11,329	9,721	7,139	9,457	14,916	9,573	7,815
Machinery	3,540	5,206	5,377	6,080	5,035	5,837	4,945	2,871
Shipbuilding	206	410	317	357	340	144	331	170
Others	3,185	3,677	4,162	3,937	3,457	3,807	3,492	2,373
Non-Manufacturing	29,208	22,344	39,768	21,375	21,242	28,254	20,302	17,293
Transportation	3,700	5,274	10,113	3,173	7,639	4,495	2,062	6,548
Electric Power	17,921	5,967	17,470	6,546	3,560	13,990	5,540	3,497
Coal Mining	576	637	638	1,092	929	593	1,017	691
Agriculture, Forestry, Fishery	2,204	2,580	3,165	2,921	2,578	2,630	4,335	1,599
Others	4,807	7,886	8,382	7,643	6,536	6,546	7,348	4,958
Sales Agents	2,565	2,996	3,411	3,736	3,390	3,623	3,308	2,535
Total Orders	66,939	67,625	95,156	69,608	68,833	88,150	91,881	68,056
Orders Outstanding	783,359	776,247	786,940	777,171	776,453	801,708	829,465	721,730
Sales Total	52,073	76,231	92,062	66,820	72,307	71,921	69,681	50,865

23. Total Power Generation & Consumption (10⁶ KWH) (MITI)

Items	1959 Oct.	Nov.	Dec.	1960 Jan.	Feb.	Mar.	Apr.	May	June	July	1959 July
Total Power Generation	8,390	8,239	8,872	8,477	8,146	9,093	9,104	..	..	..	8,319
Hydraulic Power	5,465	4,678	4,598	4,456	3,585	4,412	5,537	..	..	..	6,075
Thermal Power	2,925	3,561	4,274	4,021	4,561	4,682	3,567	..	..	..	2,244
Generation by Electric Industries	7,340	7,198	7,795	7,436	7,199	7,974	7,975	..	..	..	7,281
Hydraulic Power	4,973	4,219	4,138	4,042	3,240	3,977	5,003	..	..	..	5,526
Thermal Power	2,367	2,979	3,656	3,394	3,959	3,996	2,972	..	..	..	1,755
Generation by Power Companies	6,537	6,537	7,127	6,755	6,659	7,435	▲7,256	▲7,291	7,189	7,524	6,457
Hydraulic Power	4,253	3,635	3,574	3,463	2,827	3,564	▲4,349	▲4,912	4,319	4,378	4,767
Thermal Power	2,284	2,902	3,553	3,293	3,832	3,871	▲2,907	▲2,379	2,870	3,146	1,690
Power from other Sources	792	657	657	649	504	507	▲ 704	▲ 922	819		825
National Railways & Household Use	1,050	1,041	1,077	1,041	947	1,119	1,128	..	..	..	1,038
Hydraulic Power	492	459	459	414	345	434	534	..	..	..	549
Thermal Power	558	582	618	626	602	685	594	..	..	..	489

24. Coal Supply & Demand (1,000 metric tons) (MITI)

Year & Month	Production	Stock Deliveries: Coal Dealers	Large User Factories	Adjustment	Deliveries: Total	Deliveries	of which Exports	Others	Home Consumption	Month-end Stocks: Total	Coal Dealers	Large User Factories
1960: March	4,345	000	227	9	4,708	4,986	4	289	4,931	6,807	2,203	4,604
April	4,199	36	24	6	4,157	4,329	2	165	4,131	6,867	2,239	4,628
May	4,148	39	416	9	4,178	4,348	0	170	3,762	7,244	2,200	5,044
June	4,096	93	145	7	4,010	4,183	1	173	3,864	7,482	2,293	5,189
July	4,257	82	218	2	4,177	4,373	0	196	3,959	7,782	2,375	5,407
August	3,951	62	203	4	4,017	4,187	1	170	4,219	7,517	2,313	5,204
1959: August	3,675	164	14	2	3,841	3,932	0	90	3,827	12,068	5,656	6,421

25. Supply & Demand of Pig-iron and Steel Materials (In tons) (MITI)

Year & Month	Pig iron: Production	Deliveries	In Stock	Steel Materials: Steel: Production	Deliveries	In Stock	Special Steel: Production	Deliveries	In Stock
1960: January	899,917	135,332	362,844	1,170,669	801,927	424,722	87,792	69,819	32,723
February	809,568	132,568	326,219	1,244,437	892,571	432,113	96,387	74,905	35,717
March	866,919	152,317	228,021	1,317,713	947,226	446,698	98,548	77,652	37,249
April	943,057	138,720	226,145	1,296,696	927,810	461,909	93,721	72,047	38,327
May	993,721	141,049	248,978	1,308,386	935,338	472,542	93,169	71,559	39,275
June	963,950	149,342	232,276	1,302,362	956,025	459,143	90,705	70,232	39,162
1959: June	783,700	134,991	354,976	1,029,186	771,518	311,468	69,858	53,455	30,687

Notes: 80 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines. ▲ Revised at source.
In Table 22, the number of companies surveyed is 127.

26. Supply & Demand of Textile Goods (In tons for years; 1,000 sq. m. for textile) (MITI)

Year & Month	Cotton Yarn			Rayon Yarn			Staple Fiber Yarn			Cotton Textiles		
	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory
1959: Nov.	44,173	23,362	23,480	10,261	6,664	14,079	17,873	14,523	10,047	244,638	245,166	404,691
Dec.	43,970	28,267	25,094	10,521	7,286	13,019	18,464	15,330	10,365	253,212	253,695	405,413
1960: Jan.	40,682	26,248	26,286	11,066	6,674	13,475	16,814	13,968	10,256	238,406	235,496	416,939
Feb.	45,978	30,084	27,955	10,858	6,630	14,143	17,922	14,665	10,455	261,373	262,028	432,511
Mar.	43,568	28,451	27,113	11,515	7,740	13,518	17,899	14,576	11,306	255,324	256,237	447,246
Apr.	45,014	27,627	29,750	11,671	7,163	13,356	17,561	15,083	11,618	264,598	262,932	462,195
May	44,588	28,502	29,750	12,070	7,701	13,742	17,561	14,715	12,288	268,867	269,931	483,593
1959: May	35,693	22,851	19,841	9,545	6,137	12,411	15,592	14,008	10,607	226,056	231,012	467,742

27. Supply & Demand of Paper and Pulp (MITI)

Year & Month	Pulp (long ton)				Paper, Western Style (in ton)				Cardboard & Japanese Style Paper (in ton)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1959: Dec.	282,101	164,457	115,214	71,779	196,352	186,527	7,019	84,830	356,894	339,113	15,893	116,011
1960: Jan.	263,113	154,352	108,489	72,051	181,500	171.521	6,476	88,330	332,399	308,118	14,041	126,251
Feb.	271,575	158,334	113,914	71,378	189,283	176,339	6,859	94,418	345,829	316,187	15,038	140,855
Mar.	295,556	174,681	121,929	70,324	208,601	198,406	7,172	97,441	377,799	349,217	16,051	153,385
Apr.	280,999	169,095	112,727	69,501	199,237	185,808	7,520	103,350	365,281	337,208	17,184	164,274
May	285,511	173,793	110,180	71,039	201,192	191,011	7,514	106,017	364,994	344,162	16,437	168,669
June	292,686	177,961	119,116	66,648	204,975	195,139	7,072	108,781	373,494	350,766	16,519	174,878
July	302,258	184,574	114,345	69,987	210,394	197,618	7,847	113,710	384,725	354,479	17,757	187,367
1959: July	257,001	148,779	105,482	64,971	188,681	174,079	5,960	62,982	329,087	303,711	13,900	91,119

28. Supply & Demand of Soda and Ammonium Sulphate (In metric tons) (MITI)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: December	195,632	181,016	370,263	40,868	40,138	7,885	69,782	60,070	22,203
1960: January	214,277	204,339	370,856	42,655	39,165	9,522	68,865	55,800	24,494
February	191,477	260,348	292,212	40,916	39,884	8,847	65,168	57,741	21,948
March	209,603	324,539	164,798	42,714	40,260	19,429	72,368	60,904	21,258
April	194,914	204,009	142,157	43,590	39,959	1,248	72,346	56,680	25,118
May	207,437	177,293	159,945	42,835	44,092	18,183	73,350	59,988	26,165
June	191,742	180,449	160,212	44,406	39,311	1,485	73,068	59,325	28,274
July	182,282	136,976	192,730	42,842	41,183	11,381	▲ 75,094	60,767	▲ 29,826
August	220,019	169,259	232,295	42,733	41,745	10,526	73,948	59,675	31,317
1959: August	219,389	182,220	340,301	38,478	37,422	8,626	63,703	50,442	22,247

29. Supply & Demand of Cement & Sheet Glass (MITI)

Year & Month	Cement (In 1,000 tons)				Sheet Glass (In 1,000 boxes)					
	Production	Consumption	Sales	Inventories at Month-end	Production	Consumption	Sales		Total	Inventories
							Exports	Domestic		
1960: Jan.	1,422.7	4.1	1,381.5	328.2	1,095.1	118.7	156.7	611.2	767.9	786.8
Feb.	1,623.9	6.1	1,629.9	315.6	1,015.2	116.3	165.7	572.1	737.8	961.1
Mar.	1,968.2	9.6	1,965.8	309.8	1,043.0	122.3	157.5	655.3	812.8	1,075.3
Apr.	1,954.1	9.6	1,897.5	356.2	902.5	147.3	139.3	637.6	776.9	105.8
May	1,893.5	8.1	1,800.1	441.0	934.2	135.7	138.7	682.3	821.0	1,043.0
June	1,761.0	8.1	1,713.6	479.7	957.6	130.1	141.4	680.3	821.7	1,060.1
July	1,785.8	9.8	1,830.3	426.3	1,002.7	121.2	148.6	639.8	788.4	1,154.3
1959: July	1,393.2	6.5	1,447.4	370.6	916.1	93.5	159.6	589.6	749.2	728.1

30. Supply & Demand of Rubber & Vinyl Chloride Products (In tons) (MITI)

Year & Month	Rubber Goods					Vinyl Chloride Products				
	Production (A)	Sales (B)	Inventories at Month-end (C)	Delivery Rates (B/A)	Inventory Rates (C/A)	Production (A)	Sales (B)	Inventories Rates (C)	Derivery Rates (B/A)	Inventory Rates (C/A)
1960: Jan.	15,501	15,517	6,163	100	40	13,762	13,516	6,847	98	50
Feb.	17,213	16,835	6,940	98	40	15,190	14,961	7,109	99	47
Mar.	18,470	18,208	7,589	99	41	16,131	15,698	7,530	97	47
Apr.	18,409	18,512	7,937	101	43	15,858	15,212	8,125	96	51
May	18,225	17,819	8,548	98	47	15,134	14,749	8,495	97	56
June	19,235	18,816	9,273	98	48	15,617	14,753	9,274	94	59
July	18,908	18,687	9,729	100	52	15,921	14,974	9,992	95	63
1959: July	15,335	15,351	6,447	100	42	11,234	10,775	6,405	96	57

31. Department Store Sales (In million yen) (MITI)

By Month	No. of Stores	Total	Clothing	Personal Effects	Sundry	Household Utensils	Provisions	Restaurant	Services	Outside Store Sales	Others	Gift Certificates
1960: Feb.	223	26,005	12,057	1,746	3,363	3,179	14,173	937	211	17	323	329
Mar.	224	35,566	17,061	2,857	4,391	4,263	5,046	1,226	275	16	433	538
Apr.	223	34,713	15,674	2,904	4,545	4,691	4,997	1,217	279	23	384	388
May	222	31,646	14,390	2,654	3,584	4,508	4,684	1,157	265	25	379	289
June	222	32,312	15,429	2,664	3,395	4,575	4,482	1,075	223	25	444	330
July	222	48,171	21,310	3,485	4,803	6,102	10,216	1,411	228	26	590	1,263
Aug.	222	31,986	11,926	2,333	4,032	4,397	7,106	1,466	222	20	483	645
1959: Aug.	211	27,026	9,990	2,043	3,326	3,542	6,211	1,282	209	14	409	601

Notes: ▲ Revised at source.
Rates of conversion: 1,000 lb. = 0.45359 tons for yarns; 1,000 sq. yds. = 0.83613 sq. m. for textiles; 1 lb. = 0.45359 kg. for papers.

32. Letters of Credit Opened and Received

(In $1,000) (Ministry of Finance)

Year & Month	Exports				Imports			
	Total	Convertible Currency		Open Account	Total	Convertible Currency		Open Account
		Total	Yen			Total	Yen	
1959: November	256,293	251,723	—	4,569	228,882	221,377	—	7,505
December	294,255	285,643	—	8,611	294,053	284,596	—	9,456
1960: January	254,702	248,228	—	6,473	213,315	205,690	—	7,625
February	259,483	255,084	—	4,398	235,830	233,133	—	2,696
March	330,965	323,362	—	7,602	263,989	249,729	—	14,259
April	252,312	244,777	—	7,534	220,254	209,319	—	10,934
May	285,598	278,528	—	7,069	228,684	221,329	—	7,354
June	297,196	288,946	—	8,249	245,597	238,356	—	7,241
July	284,217	279,512	159	4,704	222,317	215,938	—	6,378
August	310,193	304,004	235	6,189	201,823	196,688	14	5,135
September	286,937	281,583	5	5,354	214,124	210,685	15	3,439
1959: September	268,910	260,320	—	8,589	192,567	190,321	—	2,245

33. Exports and Imports by Value

(Ministry of Finance)

Year & Month	Value (In $1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1960: January	217,708	330,670	▽ 112,962	78,375	119,041	▽ 40,666
February	318,149	363,913	▽ 45,764	114,534	131,009	▽ 16,475
March	348,884	435,165	▽ 86,281	125,598	156,659	▽ 31,061
April	310,730	355,006	▽ 44,275	111,863	127,802	▽ 15,939
May	311,345	384,953	▽ 73,609	112,084	138,583	▽ 26,499
June	337,283	372,140	▽ 34,857	121,422	133,970	▽ 12,549
July	▲339,622	▲379,693	▲ ▽ 40,071	▲122,264	▲136,689	▲ ▽ 14,426
August	▲341,711	▲368,064	▲ ▽ 26,353	▲123,016	▲132,503	▲ ▽ 9,487
September	367,692	385,433	▽ 17,741	132,369	138,756	6,387
1959: September	282,661	298,844	▽ 16,183	101,758	107,584	▽ 5,826

34. Value of Export and Import by Economic Classification

(In $1,000) (Ministry of Finance)

		Total		Foodstuffs		Crude Materials		Fabricated Basic Material		Finished		Others	
		Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Export	1960: March	348,884	100.0	19,391	5.5	10,208	3.0	84,758	24.2	232,666	66.8	1,861	0.5
	April	310,730	100.0	17,709	5.7	8,075	2.6	60,095	19.3	223,792	72.0	1,059	0.4
	May	311,345	100.0	16,052	5.2	9,069	2.9	63,501	20.4	222,097	71.3	661	0.2
	June	337,283	100.0	23,179	6.9	10,175	3.0	68,150	20.2	235,094	69.7	685	0.2
	July	339,622	100.0	20,983	6.2	12,813	3.8	62,487	18.4	242,608	71.4	731	0.2
	1959: July	299,821	100.0	17,013	5.7	8,778	2.9	42,744	14.3	229,978	76.7	1,308	0.4
Import	1960: March	435,165	100.0	63,113	14.5	255,370	58.7	48,540	11.1	67,479	15.5	660	0.2
	April	355,005	100.0	42,480	12.0	212,840	59.9	48,350	13.6	50,675	14.3	660	0.2
	May	384,953	100.0	53,923	14.0	225,416	58.6	52,760	13.7	52,313	13.6	541	0.1
	June	372,140	100.0	42,346	11.4	230,121	61.8	46,259	12.4	52,865	14.2	549	0.2
	July	378,693	100.0	52,851	13.9	221,626	58.4	43,980	11.6	60,644	16.0	592	0.1
	1959: July	313,712	100.0	54,278	17.3	181,403	57.8	34,090	10.9	43,509	13.9	432	0.1

35. Exports and Imports by Continents*

($1,000; Customs Bureau, Finance Ministry)

	Year & Month	'58, Total	'59, Total	Feb.	Mar.	Apr.	May	June	July	'59 July
Exports	Total	2,876,560	3,456,492	318,149	348,884	310,750	311,345	337,283	339,622	299,821
	Asia	1,074,322	1,165,705	111,516	115,774	109,371	112,341	121,580	120,682	93,112
	S.E. Asia	649,520	754,256	78,488	74,278	71,602	70,282	73,744	80,187	60,870
	Europe	333,301	374,970	32,881	64,647	38,245	25,982	38,355	38,262	34,952
	N. America	848,456	1,246,253	117,030	114,067	112,707	114,735	110,645	115,553	106,222
	S. America	114,982	141,675	11,800	10,345	16,780	20,665	18,180	11,558	18,258
	Africa	415,511	409,891	33,262	31,387	21,042	22,161	30,908	35,715	36,841
	Oceania	89,771	117,897	11,509	12,590	12,500	15,423	17,539	17,699	10,436
Imports	Total	3,033,125	3,599,491	363,913	435,165	355,005	384,953	372,140	379,693	313,712
	Asia	982,448	1,168,853	111,944	137,690	114,834	122,583	118,463	120,300	100,952
	S.E. Asia	427,073	579,164	61,044	64,749	61,358	64,607	55,801	61,459	51,402
	Europe	268,654	364,599	35,987	41,300	39,424	36,836	35,496	38,154	32,342
	N. America	1,356,682	1,488,878	160,126	191,734	144,567	166,391	151,276	158,491	133,393
	S. America	80,687	108,380	8,537	9,445	10,111	11,679	12,049	14,363	7,534
	Africa	83,737	128,295	19,370	17,825	15,704	14,593	19,591	11,670	13,653
	Oceania	206,801	340,266	27,798	37,159	30,355	32,858	35,650	36,665	25,796

36. Foreign Exchange Receipts and Payments by Month

(In Million Dollars) (Bank of Japan)

Year & Month	Current Transactions					Overall Balance*	Year & Month	Current Transactions					Overall Balance*
	Receipts		Payments		Balance			Receipts		Payments		Balance	
	Total	Exports	Total	Imports				Total	Exports	Total	Imports		
1959: Total	3,913	3,280	3,561	3,007	352	461	1959: Nov.	343	289	309	362	36	41
							Dec.	385	320	379	309	6	30
1959: Mar.	325	274	285	243	40	36	1960: Jan.	310	261	339	293	▽ 29	6
Apr.	280	235	280	246	0	35	Feb.	329	280	350	294	▽ 21	▽ 7
May	302	253	313	265	▽ 11	64	Mar.	394	335	390	337	4	31
June	349	286	314	261	35	32	Apr.	330	278	338	288	▽ 9	22
July	338	284	302	256	36	97	May	379	317	387	323	▽ 8	34
Aug.	333	279	289	244	44	▽ 20	June	370	308	386	319	▽ 16	35
Sept.	350	295	302	252	48	28	July	389	328	388	326	1	48
Oct.	361	307	292	250	69	41	Aug.	397	333	382	321	15	69

Note: The Method of Tabulation was changed in April 1960.
* include "Capital Transactions."

37. Exports and Imports by Country

(In 1,000 dollars) (Ministry of Finance)

Countries	Exports					Imports				
	Mar. 1960	Apr. 1960	May 1960	June 1960	July 1960	Mar. 1960	Apr. 1960	May 1960	June 1960	July 1960
Total Exports or Imports	349,906	310,753	311,393	337,283	339,622	435,194	355,005	384,953	372,140	379,693
Korea	11,004	5,408	6,169	9,801	6,382	438	845	1,475	1,695	1,280
China	352	204	257	199	193	2,449	2,219	1,705	1,611	1,350
Rukyu Islands	6,189	6,464	7,496	7,892	8,755	3,476	2,445	2,883	1,746	987
Hong Kong	14,168	13,601	13,995	13,130	12,641	3,152	1,704	1,849	1,383	1,481
Formosa	8,117	10,004	9,868	10,797	7,504	7,521	6,161	8,185	7,162	6,074
South Viet Nam	4,800	2,977	4,409	4,785	4,628	384	346	106	350	697
Thailand	10,442	8,707	8,798	10,706	10,680	6,580	6,156	7,245	4,719	5,411
Malaya Union	2,253	1,979	2,107	2,144	2,651	15,237	15,383	19,047	16,820	18,603
Singapore	5,866	6,509	7,187	6,174	7,161	1,110	1,109	666	826	1,194
Philippines	9,696	8,447	7,898	5,959	11,607	15,916	15,639	14,294	14,069	13,416
British Borneo	152	232	250	287	187	6,851	5,168	6,796	7,487	8,372
Indonesia	5,971	7,024	5,143	4,853	6,191	6,403	5,104	6,291	4,966	6,006
Burma	3,879	4,184	5,443	6,258	6,217	1,139	3,817	1,992	1,378	931
India	7,802	8,077	6,782	11,755	8,603	9,667	7,675	9,927	8,216	8,789
Pakistan	6,057	5,760	5,358	4,084	4,882	2,866	2,336	1,952	2,213	2,536
Ceylon	2,076	2,510	2,323	2,721	2,792	1,414	1,534	716	709	1,811
Iran	2,456	3,771	3,124	3,129	2,659	3,726	1,806	2,177	613	1,719
Iraq	1,093	1,783	2,408	2,466	2,456	9,157	5,537	4,445	7,474	4,465
Saudi Arabia	1,355	1,923	1,322	867	801	10,401	8,412	8,229	8,020	7,087
Kwait	1,801	1,511	1,793	2,220	2,535	20,471	13,888	15,755	18,036	17,514
Sweden	3,144	2,052	2,365	2,261	2,263	1,051	1,017	784	1,128	1,042
Denmark	686	625	634	759	873	779	647	197	289	175
United Kingdom	19,025	6,535	4,410	10,996	9,026	8,430	6,535	6,097	6,781	9,074
Netherlands	5,716	2,896	2,161	2,469	4,560	3,687	3,008	2,027	1,816	1,852
Belgium	3,946	2,073	1,553	1,811	1,733	1,370	857	697	1,003	993
France	1,444	1,492	1,366	1,186	1,419	3,767	1,992	2,780	2,238	2,845
West Germany	8,008	4,379	4,311	4,319	4,968	11,027	12,412	11,642	9,609	10,520
Switzerland	2,711	2,872	2,658	3,757	3,777	2,593	2,280	2,349	2,764	3,097
Italy	2,911	1,944	2,410	2,788	2,503	1,247	1,097	1,018	1,410	710
U.S.S.R. (in Asia zone)	3,892	1,601	4,073	4,578	4,199	5,591	6,364	6,264	8,526	9,028
Canada	10,208	11,574	10,942	10,599	11,481	22,320	12,726	15,908	12,799	17,814
U.S.A.	98,252	93,451	95,723	91,983	94,385	155,685	120,327	138,664	126,732	129,606
Mexico	1,304	1,519	2,080	1,357	1,353	6,675	4,348	2,500	3,036	2,271
Panama	947	791	699	1,345	2,102	314	195	301	204	12
Cuba	207	170	300	416	534	2,950	1,492	252	364	1,089
Venezuela	3,285	9,356	2,199	9,831	3,103	108	121	47	47	33
Peru	857	729	1,047	1,124	1,078	3,529	3,397	3,114	2,366	4,598
Chile	1,030	1,149	1,685	1,359	995	1,945	1,167	869	240	1,072
Brazil	1,336	1,334	10,725	1,624	1,091	1,218	2,056	1,543	2,956	2,870
Argentina	1,769	2,207	2,766	1,492	2,594	2,252	3,092	5,586	5,508	4,023
Egypt	903	2,196	1,736	1,959	2,809	2,643	2,547	1,463	1,731	1,362
British West Africa	5,528	5,273	5,868	6,229	6,990	318	656	904	1,527	1,622
Liberia	10,483	159	223	8,772	10,955	17	2	227	185	254
Ghana	1,853	2,014	2,260	2,486	2,509	532	221	59	356	342
British South Africa	3,950	3,490	3,565	3,574	3,909	2,178	2,097	2,111	2,094	1,411
Union of South Africa	4,730	4,809	4,768	4,945	5,625	5,993	5,996	5,500	7,981	4,615
Australia	7,987	8,924	11,603	12,242	13,363	31,911	25,468	27,156	30,736	30,924
New Zealand	1,762	1,102	1,652	2,036	2,046	2,771	3,017	3,172	2,816	3,000

Note: 0 denotes open account area; $, dollar area; £, sterling area. £▲ stands for Specified Area A and B.
*Southeast Asia Total includes Hong Kong, South Vietnam, Cambodia, Laos, Thailand, Malaya, Singapore, the Philippines, Indonesia, Burma India, Pakistan, and Ceylon. ▲ Revised at source.

38. Exports by Major Articles

(In $1,000) (Ministry of Finance)

Articles	Unit	1960								1959	
		May		June		July		Jan.—July		Jan.—July	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Valu
Total Exports	—	—	311,393	—	337,283	—	339,622	—	2,183,721	—	1,840
Food	—	—	16,088	—	23,312	—	20,999	—	133,209	—	119
Fish & Shellfish	m.t.	21,552	9,426	29,221	17,578	19,789	12,481	166,860	82,884	154,589	78
Fresh Fish	,,	10,834	3,176	15,954	4,437	9,354	2,975	89,504	26,394	80,758	22
Tuna	,,	9,683	2.633	14,507	3,625	6,857	1,933	75,362	20,454	80,585	18
Canned, Bottled Fish	,,	9,436	5,406	12,132	12.367	9,404	8,618	66,011	50,210	62,763	47
Salmon	,,	556	551	3,721	7,172	1,207	2,107	12,250	17,598	21,074	17
Tuna	,,	1,641	1.448	2,217	1,962	1,580	1,434	11,772	9,896	9,021	8
Fruit & Vegetables	,,	8,460	3,369	10,889	2,798	22,445	5,296	101,697	28,766	87,535	21
Canned, Bottled Fruits	,,	5,304	2,056	3,507	1,338	8,882	3,307	52,496	19,552	40,689	14
Tea	,,	829	470	523	366	576	364	5,112	2,895	3,955	2
Beverage & Tobacco	—	—	209	—	292	—	357	—	2,595	—	3
Raw Materials, except Fuels	—	—	10,001	—	11,625	—	12,743	—	68,354	—	50
Lumber	cu.m.	35,271	2,441	—	3,173	—	2,484	—	15,193	—	15
Textile Fibre & Waste	m.t.	5,777	6,498	5,778	6,766	5,420	8,928	35.573	43,563	26,269	26
Raw Silk	,,	418	3,833	452	4,178	712	6,741	2,914	27,154	1,985	16
Mineral Fuels	—	—	1,587	—	1,314	—	954	—	9,457	—	5
Animal & Vegetable Oils	—	—	966	—	1,153	—	2,562	—	23,559	—	23
Animal Oil	m.t.	359	392	403	512	10,273	2,133	94,484	20,059	84,597	18
Whale Oil	,,	1	0	15	3	9,904	1,800	92,035	17,206	82,187	15
Vegetable Oil	,,	2,251	561	2,527	637	1,670	425	13,231	3,456	16,806	4
Chemicals, Drugs	—	—	14,112	—	13 142	—	11,231	—	98,374	—	100
Pharmaceuticals	—	—	1,390	—	1,283	—	1,453	—	9,063	—	7
Chemical Fertilizers	m.t.	87,522	4,310	117,470	5 157	46,742	2,337	847,710	40,435	1,061,964	52
Manufactured Products by Materials	—	—	146.457	—	151,712	—	152,482	—	974,564	—	803
Rubber Goods	—	—	2,504	—	1,975	—	2,417	—	16,286	—	15
Wood & Cork Products	—	—	7,503	—	7,547	—	7,342	—	53,843	—	56
Plywood	1,000 s.m.	7,990	5,705	8,025	5,619	7,821	5,456	55,857	41,774	63,629	43
Paper & Related Products	m.t.	13,569	3,483	12,551	3,316	16,891	4,090	94,358	25,863	65,036	17
Textile Yarns & Fabrics	—	—	71,231	—	73,597	—	75,328	—	479,835	—	405
Woollen Yarn	m t	333	1,411	465	1,092	356	1,619	2,193	8,276	2,113	7
Cotton Yarn	,,	3,004	4,119	3,295	4,671	3,026	4,255	18,573	25,210	6,471	10
Rayon Yarn	,,	2,155	2,175	1,407	1,446	1,083	1,129	10,010	10,223	6,220	6
Spun Rayon Yarn	,,	582	537	1,292	1,104	2,090	1,696	7,074	6,214	8,184	7
Cotton Fabrics	1,000 s.m.	83,517	25,714	88,984	27,234	93,208	28,893	596,142	176,852	579,878	156
Silk Fabrics	,,	7,812	4,970	7,027	4,563	7,056	4,865	52,577	32,369	42,334	24
Woollen Fabrics	,,	1,667	2,728	1,778	2,823	1,752	2,846	16,062	26,853	15,127	25
Rayon Fabrics	,,	17,793	4,372	18,205	4,591	16,045	3,963	133,056	31,833	143,409	29
Spun Rayon Fabrics	,,	45,485	9.519	48,417	10.298	48,752	10,421	291,349	62,614	331,451	60
Non-Metallic Mineral Products	—	—	12,669	—	12,186	—	13,215	—	79,733	—	70
Cement	m.t.	155,804	2,405	155,610	2,297	159,810	2,380	942,505	14,200	907,986	14
Glass & Glass Products	—	—	2,075	—	2,157	—	2,094	—	13,364	—	12
Chinaware	—	—	5,849	—	5,616	—	6,195	—	37,467	—	31
Pearls	kg.	4,331	2,860	4,378	2,739	3,877	2,054	29,732	18,518	24,638	14
Base Metals	—	—	31,968	—	36,223	—	33,349	—	206,185	—	151
Iron & Steel	m.t.	174,041	29,464	202,836	34,428	182,220	31,007	1,130,802	192,826	912,057	136
Steel Plates (ungalvanized)	,,	40,438	6,474	46,918	8,126	44,700	7,721	279,925	45,930	219,033	28
Galvanized Steel Plates	,,	18,431	3,840	25,553	5,217	23,999	4,825	164,595	33,531	148,789	27
Non-ferrous Metals	,,	5,863	2.504	1,829	1,795	5,104	2,342	19,940	13,358	20,741	15
Metal Products	—	—	12,066	—	11,866	—	12,689	—	81.385	—	62
Machinery & Transportation Equipment	—	—	61,272	—	73,459	—	75,208	—	490,413	—	436
Machinery (excl. electric machines)	—	—	17,630	—	14,744	—	18,477	—	122,360	—	84
Textile Machines & Parts	—	—	4,181	—	2,661	—	5,024	—	28,901	—	15
Sewing Machines	—	148,987	3,882	122,395	3,440	136,110	3,829	1,037,006	27,417	1,105,605	29
Electric Machine	unit	—	22,508	—	21,016	—	24,895	—	141,504	—	89
Gen. Motors, Trans. & Alternators	—	—	2,228	—	1,378	—	1,952	—	13,255	—	9
Electrilc Bulbs	1,000 pcs.	34,043	1,052	—	1,057	39,399	1,292	228,493	6,815	203,002	5
Transportation Equipment	—	—	21,134	—	37,653	—	31,836	—	226,549	—	263
Railway Rolling Stock & Parts	—	—	1,757	—	2,628	—	2,092	—	9,369	—	8
Buses, Trucks	unit	1,994	4,876	3,054	7,865	2,314	5,992	12,116	29,459	6,852	19
Ships	G.T.	23,338	9,370	76,545	22,123	67,144	18,076	504,282	155,874	711,185	217
Miscellaneous	—	—	60,047	—	60,627	—	62,373	—	376,991	—	290
Clothing	—	—	20,621	—	23,033	—	24,547	—	133,872	—	108
Camera	unit	100,687	2,448	86,980	2,242	98,856	2,504	590,233	14,142	422,953	9
Toys	—	—	9,453	38,565	734	31,392	623	243,146	4,604	236,909	4
Live Animals not for Food	—	—	52	—	5	—	5	—	364	—	
Re-export Goods	—	—	602	—	642	—	642	—	5,841	—	5

Note: Figures of group total include others than represented.

39. Imports by Major Articles

($ 1,000) (Ministry of Finance)

Articles	Units	1960 May		1960 July		1960 July		1960 Jan.—July		1959 Jan.—July	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Imports	—	—	384,953	—	372,140	—	379,693	—	2,621,540	—	2,050,220
Food	—	—	47,789	—	38,536	—	44,252	—	285,993	—	302,004
Cereals & Cereal Preparations	m.t.	429,694	29,759	282,507	19 524	398,481	26,319	2,358,757	160,820	2,628,911	185,489
Wheat	,,	270,817	17,993	166,779	11,063	288,513	18,827	1,494,009	99,514	1,430,178	96,048
Rice	,,	49,895	5,008	27,821	2,990	20,112	1,563	144,675	15,679	227,390	30,163
Barley	,,	—	—	—	—	—	—	—	—	385,624	22,723
Maize (Corn)	,,	102,587	6,151	81,473	4,847	80,234	4,789	661,990	39,355	519,536	30,552
Fruit & Vegetables	,,	20,265	3,163	19,997	2,865	19,846	2,967	115,857	17,472	106,994	17,865
Sugar & Sugar Preparations	,,	117,044	8,983	139,449	9,799	143,117	10,274	926,557	70,287	891,552	72,292
Coffee	,,	674	571	798	648	711	581	5,259	4,575	4,682	4,497
Beverage & Tobacco	—	—	2,882	—	314	—	3,037	—	14,806	—	13,114
Tobacco	—	—	2,650	—	8	—	2,752	—	13,491	—	12,035
Raw Materials, except Fuels	—	—	190,021	—	187,528	—	181,519	—	1,320,648	—	953,104
Hides & Skins	m.t.	—	3,177	—	3,400	—	3,197	—	20,906	—	24,355
Oil Seeds	,,	98,844	11,297	112,142	12,328	113,100	12,384	1,000,331	113,165	904,853	96,166
Soy-beans	,,	61,885	6,051	70,322	6,365	78,584	7,508	659,862	62,990	620,114	58,867
Rubber	,,	20,341	15,267	17,744	13,182	20,967	16,431	151,818	115,872	118,674	72,618
Crude Rubber	,,	11,444	9,628	10,791	9,117	14,085	12,100	96,399	81,977	80,369	51,155
Lumber & Cork	—	—	15,384	—	16,322	—	15,802	—	103,529	—	66,307
Lumber	c.m.	527,883	15,053	574,166	16,097	592,630	15,531	3,631,931	101,963	2,898,792	64,922
Pulp & Waste Papers	—	—	3,151	—	2,578	—	2,826	—	18,667	—	11,489
Textile Fibres & Waste	m.t.	104,804	72,220	99,066	71,925	81,226	61,142	719,701	492,119	580,406	373,314
Wool	,,	16,746	23,773	18,310	26,191	17,413	24,949	116,961	168 830	100,362	117,952
Cotton	,,	74,293	42,491	68,358	40,552	51,844	31,065	502,883	280,593	394,587	210,765
Cotton, Ginned	,,	68,806	41,429	64,287	39,578	48,779	30,291	465,978	273,223	359,827	202,251
Hard & Bast Fibres	,,	12,046	3,699	10,727	2,792	10,427	3,224	87,793	24,843	66,994	16,686
Fertilizers & Non-metallic Minerals	—	—	7,827	—	10,263	—	8,791	—	59,784	—	43,499
Crude Fertilizers	m.t.	138,262	2,253	193,062	3,083	227,376	3,689	1,171,857	19,390	1,025,398	16,079
Salt	,,	153,731	1,373	312,952	2,831	170,766	1,524	1,367,787	12,026	1,066,405	8,851
Metal Ores & Metal Scrap	,,	2,120,826	60,104	1,974,722	55,586	2 085,435	58,319	12,740,733	383,505	9,131,218	255,739
Iron Ore	,,	1,422,037	19,989	1,381,052	19,553	1,378,988	19,684	8,474,046	121,521	5,706,301	79,095
Scrap Iron	,,	396,533	21,398	321,633	16,510	352,921	17,350	2,517,633	136,254	2,063.405	100,948
Non-ferrous Metal Ores	,,	287,922	11,255	261,504	14,201	342,211	15,616	1,668,893	83,970	1,318,164	54,767
Copper Ore	,,	32,489	4,770	31,750	5,501	53,341	7,401	267,142	41,813	186,905	25,442
Nickel Ore	,,	100,790	1,801	82,443	1,526	84,952	1,656	446,362	8,448	312,305	5,894
Aluminium Ore	,,	71,383	745	48,907	723	135,458	1,456	487,866	5,635	392,974	3,894
Manganese Ore	,,	28,924	900	16,821	459	20,841	676	138,391	4,328	189,177	6,157
Non-ferrous Metal Scrap	,,	14,334	7,453	10,532	5,317	11,315	5,666	80,160	41,724	43,356	20,918
Copper Scrap	,,	884	596	665	440	380	248	6,039	4,222	645	444
Brass Scrap	,,	10,403	5,427	7,842	4,014	8,652	4,432	58,011	30,585	35,573	17,983
Mineral Fuels	—	—	56,547	—	63,050	—	64,997	—	417,006	—	311,695
Coal	m.t.	633,922	10,982	715,861	11,939	799,321	13,604	4,432,253	76,793	2,661,092	48,194
Anthracite	,,	56,327	1,007	75,540	1,283	76,344	1,235	461,903	7,944	313,094	5,372
Bituminous (for coking)	,,	106,111	1,760	110,896	1,798	115,546	1,872	633,329	10,611	381,314	6,548
Petroleum	k.l.	2,800,203	44,438	3,139,513	50,221	3,040,193	49,466	20,290,279	331,421	13,894,243	258,202
Crude & Unrefined	,,	2,366,717	35,654	2'660,436	38,925	2,546,924	38,596	17,314,871	266,540	11,924,163	216 263
Heavy Oil	,,	421,463	7,544	432,426	8,140	467,191	8,898	2,781,368	50,875	1,848,699	33,647
Animal & Vegetable Oils	—	—	3,576	—	3,683	—	3,571	—	22,429	—	21,956
Animal Fats & Oils	m.t.	17,553	2,901	19,047	3,187	17,240	2,908	106,746	17,701	86,969	18,000
Beef Tallow	,,	14,950	2,358	16,979	2,746	14,731	2,391	98,710	15,933	83.536	17,035
Vegetable Oils	,,	1,750	571	1,195	364	1,724	503	12,538	3,848	13,343	3,372
Chemicals, Drugs	—	—	21,244	—	22,191	—	21,652	—	154,787	—	120,721
Inorganic Chemicals	—	—	1,525	—	1,964	—	1,994	—	11,286	—	7,127
Organic Chemicals	—	—	4,032	—	4,223	—	3,940	—	27,903	—	24,473
Potassic Fertilizers	m.t.	—	2,998	—	2,522	—	2,553	—	21,124	—	17,257
Synthetic Plastic Materials	,,	3,365	2,831	3,095	2,738	3,413	2,782	23,838	20,797	24.963	20,973
Manufactured Products by Materials	—	—	27,422	—	22,721	—	18,778	—	153,513	—	69,664
Textile Yarns & Fabrics	—	—	1,382	—	818	—	1,178	—	9,438	—	7,509
Base Metals	m.t.	164,780	22,889	148,078	17,657	94,879	14,163	846,073	117,733	215,090	43,232
Iron & Steel	,,	146,306	10,332	138,931	9,756	85,710	6,941	761,459	54,540	189,528	18,004
Non-ferrous Metals	,,	18,474	12,557	9,147	7,901	9,169	7,222	84,614	63,193	25,562	25,228
Copper	,,	7,337	5,468	5,577	4,165	4,540	3,423	41,927	31,404	11,174	8,117
Tin	,,	1,125	2,441	930	2,023	816	1,786	6,219	13,573	5,309	11,603
Machinery & Transportation Equipment	—	—	30,021	—	27,841	—	36,306	—	215,937	—	227,005
Machinery (excl. electric machines)	—	—	22,452	—	19,640	—	21,620	—	156,421	—	173,723
Electric Machines	—	—	3,249	—	2,638	—	2,585	—	19,929	—	23,934
Transportation Equipments	—	—	4,320	—	5,563	—	12,101	—	39,587	—	29,348
Passenger Cars, complete	unit	462	1,288	600	1,557	287	655	2,799	7,618	4,661	6,354
Aircraft & Parts	—	—	1,658	—	1,082	—	8,763	—	16,273	—	5,298
Miscellaneous	—	—	1,658	—	5,593	—	4,787	—	32,278	—	27,540
Specially-handled items	—	—	271	—	184	—	242	—	1,038	—	349
Re-import Goods	—	—	366	—	499	—	552	—	3,105	—	3,068

Note: Figures of group total include other items not represented above.

40. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Authorized (Paid-up) Capital In million yen	Dividends	1960 Sept. High	1960 Sept. Low	1960 Oct. 15
Mining					
Mitsui Mining	3,000	—	53	46	48
Mitsubishi Mining	5,400	—	60	46	48
Sumitomo Coal Mining	2,521	5	57	48	50
Furukawa Mining	3,646	5	□ 63	54	—
Teikoku Oil	4,000	12	150	121	149
Foodstuffs					
Nippon Suisan	6,302	6	□ 120	103	113
Nippon Flour Mills	1,447	15	180	130	—
Nisshin Flour Milling	1,500	18	220	147	225
Dainippon Sugar Mfg.	792	25	403	400	400
Taito	600	30	400	380	—
Japan Beet Sugar Mfg.	1,350	16	220	200	185
Morinaga Confectionery	1,200	18	240	189	220
Meiji Confectionery	1,260	18	228	195	220
Nippon Breweries	2,800	18	441	411	410
Asahi Breweries	2,800	18	450	415	436
Kirin Breweries	6,642	20	□ 641	393	407
Takara Shuzo	5,890	15	225	205	204
Honen Oil Mills	1,500	15	235	216	225
Nissin Oil Mills	1,000	17	195	180	190
Noda Soy Sauce	1,200	21	355	327	365
Ajinomoto	3,444	25	579	488	571
Nippon Cold Storage	3,000	14	167	149	194
Textiles					
Toyo Spinning	8,062	16	128	111	116
Kanegafuchi Spinning	4,005	15	93	83	89
Dai Nippon Spinning	6,562	16	105	90	100
Fuji Spinning	3,600	14	81	72	79
Nisshin Cotton Spinning	2,028	22	182	162	180
Kurashiki Spinning	3,200	16	110	90	107
Nitto Spinning	1,700	12	162	117	155
Ohmi Kenshi Spinning	3,000	12	65	53	61
Japan Wool Textile	2,816	20	124	110	115
Daito Woollen Spinning	1,500	15	78	66	66
Teikoku Textile	1,220	8	71	52	65
Teikoku Rayon	8,400	12	167	144	151
Toyo Rayon	12,000	18	313	296	292
Toho Rayon	2,100	10	90	81	79
Mitsubishi Rayon	2,480	12	152	128	134
Kurashiki Rayon	3,000	15	181	168	169
Asahi Chemical	(B) 8,000	18	250	210	—
Paper & Pulp					
Kokoku Pulp	3,120	—	41	30	33
Sanyo Pulp	3,176	10	70	57	62
Nippon Pulp Ind.	1,600	12	93	79	83
Kokusaku Pulp	2,251	5	□ 67	55	56
Tohoku Pulp	2,588	5	70	53	55
Oji Paper	5,000	18	150	136	—
Honshu Paper	2,000	8	128	116	121
Jujo Paper	2,760	20	232	210	219
Mitsubishi Paper Mills	2,300	15	144	107	145
Chemical Indusries					
Toyo Koatsu Ind.	8,099	4	□ 124	106	105
Nitto Chem. Ind.	4,277	5	□ 140	134	137
Showa Denko	9,000	12	218	173	199
Sumitomo Chemical	8,000	12	314	290	297
Shin Nippon Chisso Hiryo	4,500	12	184	168	165
Mitsubishi Chemical Ind.	10,000	12	198	179	187
Nissan Chemical Ind.	2,163	—	119	86	113
Nippon Soda	1,696	8	128	105	155
Toyo Soda	1,530	15	163	141	162
Toa Gosei Chemical Ind.	2,917	12	136	123	134
Electro-Chemical Ind.	4,000	12	155	140	157
Shin-etsu Chemical Ind.	2,200	12	244	213	264
Mitsui Chemical Ind.	3,200	12	188	162	157
Kyowa Fermentation	3,862	10	196	175	178
Dainippon Celluloid	2,251	12	203	176	196
Ube Industries	9,692	10	□ 113	83	101
Nippon Kayaku	800	15	140	128	127
Sankyo	1,320	18	217	186	196
Fuji Photo Film	2,500	18	212	192	210
Konishiroku Photo Ind.	1,845	—	□ 137	123	129
Tokyo Electric Power	(A) 60,000	10	524	493	501
Tokyo Gas	20,280	12	71	68	71
Coal & Petroleum					
Nippon Oil	10,000	15	157	140	141
Showa Oil	3,000	12	145	130	134
Maruzen Oil	11,025	15	123	101	106
Mitsubishi Oil	3,036	10	225	201	210
Toa Nenryo Kogyo	5,990	20	342	310	326

Names of Shares	Authorized (Paid-up) Capital In million yen	Dividends	1960 Sept. High	1960 Sept. Low
Rubber, Glass & Ceramics		%		
Yokohama Rubber	2,000	10	171	153
Asahi Glass	8,000	18	246	228
Nippon Sheet Glass	2,500	20	391	375
Nihon Cement	5,000	15	177	165
Iwaki Cement	2,000	36	418	390
Onoda Cement	12,000	13	112	103
Nippon Toki	800	23	544	510
Nippon Gaishi	1,000	20	580	547
Metal Industries				
Yawata Iron & Steel	38,000	12	112	102
Fuji Iron & Steel	33,000	12	97	87
Kawasaki Steel	17,500	6	95	83
Nippon Kokan	23,870	6	□ 91	70
Sumitomo Metal Ind.	27,252	6	□ 81	64
Kobe Steel	20,000	12	90	79
Non-ferrous metals & products				
Japan Light Metal	4,392	10	□ 559	465
Mitsui Metal Mining	4,800	15	89	77
Mitsubishi Metal Mining	4,095	12	88	77
Nihon Mining	8,600	12	□ 120	90
Sumitomo Metal Mining	3,218	12	90	77
Dowa Mining	3,357	10	□ 144	121
Furukawa Electric	6,000	12	166	152
Toyo Seikan	(A) 2,400	15	1,355	1,165
Tokyo Rope	800	15	225	200
Machinery				
Ebara Mfg.	2,400	20	395	355
Nippon Seiko	1,600	15	332	303
Toyo Bearing	1,300	20	377	345
Koyo Seiko	1,400	15	343	312
Electric Machinery				
Hitachi Ltd.	50,000	15	□ 290	192
Tokyo Shibaura Electric	25,000	15	265	252
Mitsubishi Electric	19,200	15	199	185
Fuji Electric Mfg.	8,400	15	185	174
Nippon Electric	8,000	15	508	465
Transportation Equipment				
Mitsubishi Shipbuilding & Engineering	11,200	18	155	134
Mitsubishi Nippon Heavy Ind.	9,000	12	133	116
Mitsui Shipbuilding & Engineering	4,500	15	121	100
Mitsubishi Heavy Ind. Reorg.	20,000	12	□ 278	182
Ishikawajima Heavy Ind.	7,800	12	134	99
Nissan Motor	11,000	15	298	271
Isuzu Motor	7,500	16	197	180
Toyota Motor	16,000	20	459	404
Precision Machinery				
Nippon Kogaku	611	—	□ 181	160
Canon Camera	1,600	10	246	187
Other Manufacturing Industries				
Toppan Printing	750	18	485	445
Nippon Musical Instrument	1,000	20	835	702
Trading Companies				
Mitsui Bussan	6,533	14	460	403
Mitsubishi Shoji	10,000	14	200	181
Mitsukoshi	3,645	20	242	230
Real Estate				
Mitsui Real Estate	1,300	15	578	551
Mitsubishi Estate	5,160	15	343	324
Heiwa Real Estate	2,000	12	188	174
Transportation & Shipping				
Tobu Railways	2,400	12	128	116
Tokyo El. Express Railway	4,500	12	116	98
Nippon Express	(B) 21,600	12	156	126
Nippon Yusen	11,400	—	72	61
Osaka Shosen	7,600	—	39	32
Nitto Steamship	6,000	—	70	51
Mitsui Steamship	5,500	—	56	45
Iino Kaiun	13,200	—	37	28
Mitsubishi Shipping	4,800	—	54	41
Warehouse & Entertainment				
Mitsubishi Warehouse	1,200	10	113	96
Shochiku Motion Picture	2,772	—	65	51
Nikkatsu	3,721	12	98	64

Notes: (A) 500 yen shares. (B) 100 yen shares. Rest are all 50 yen shares. □ ex-new

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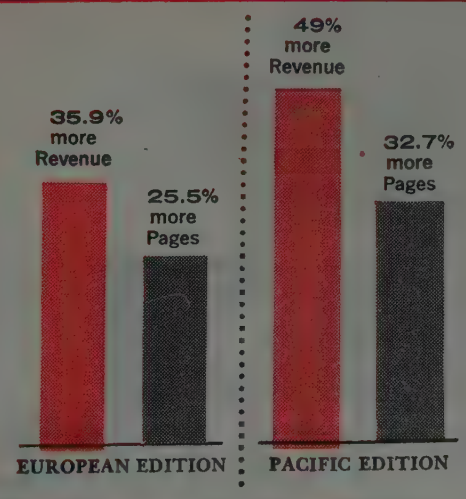

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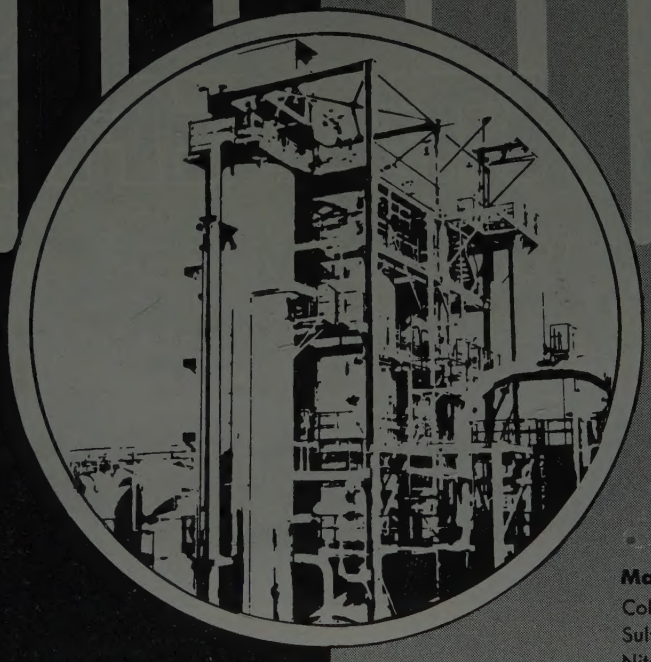

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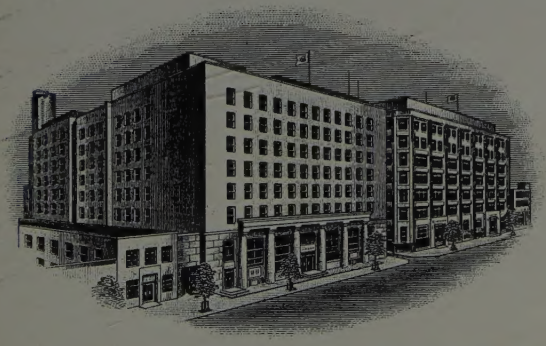

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